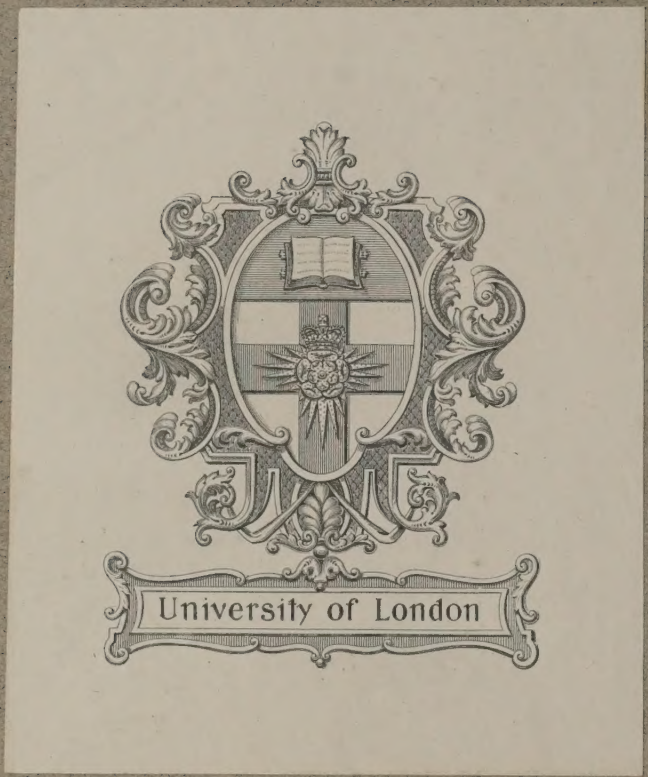
University of London

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REPORTS

FROM

COMMITTEES:

SIX VOLUMES.

—*(1.)*—

ABYSSINIAN WAR; MAIL CONTRACTS; PUBLIC ACCOUNTS; TELEGRAPH BILL.

Session

10 *December* 1868——11 *August* 1869.

VOL. VI.

1868-9.

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1868-9.

SIX VOLUMES:—CONTENTS OF THE

FIRST VOLUME.

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REPORT

FROM THE

SELECT COMMITTEE

ON THE

ABYSSINIAN WAR;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
30 *July* 1869.

Tuesday, 8th June 1869.

Ordered, THAT a Select Committee be appointed to inquire into the causes of the great Excess of Cost in prosecuting the War with Abyssinia, over the Estimate submitted to Parliament.

Monday, 21st June 1869.

Ordered, THAT the Committee do consist of Nineteen Members.

Member nominated,
Mr. Baxter.

Thursday, 24th June 1869.

Committee nominated of,—

Sir Stafford Northcote.	Sir Patrick O'Brien.
Mr. Grant Duff.	Lord Elcho.
Sir John Hay.	Captain Beaumont.
Mr. Seely.	Mr. Charles Turner.
Mr. Eastwick.	Mr. Mundella.
Major Anson.	Sir J. Elphinstone.
Mr. Christopher Denison.	Mr. Holms.
Mr. White.	Colonel Barttelot.
Mr. Howes.	Mr. Candlish.

Ordered, THAT the Committee have power to send for Persons, Papers, and Reports.

Ordered, THAT Five be the Quorum of the Committee.

Monday, 28th June 1869.

Ordered, THAT all Papers laid before Parliament relating to the Abyssinian Expedition be referred to the Committee.

Friday, 30th July 1869.

Ordered, THAT the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, to The House.

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REPORT.

THE SELECT COMMITTEE appointed to inquire into the causes of the great excess of COST in prosecuting the WAR with ABYSSINIA over the Estimate submitted to Parliament;——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

YOUR COMMITTEE have examined several Witnesses upon the subject-matter referred to them, but are not yet in a condition to Report; they have therefore agreed to lay the Evidence, already taken, before The House, with a recommendation that the Committee be re-appointed in the next Session of Parliament.

31 *July* 1869.

PROCEEDINGS OF THE COMMITTEE.

Monday, 28*th June* 1869.

MEMBERS PRESENT :

Mr. Candlish.	Mr. Baxter.
Mr. Eastwick.	Mr. Howes.
Mr. Turner.	Mr. Holms.
Sir J. Hay.	Mr. C. Denison.
Sir S. Northcote.	Sir Patrick O'Brien.
Major Anson.	Mr. Grant Duff.
Mr. White.	Lord Elcho.
Mr. Seely.	

Mr. Candlish was called to the Chair.

The Committee deliberated.

[Adjourned till Wednesday, 7th July, at Twelve o'clock.

Wednesday, 7*th July* 1869.

MEMBERS PRESENT :

Mr. CANDLISH, in the Chair.

Sir S. Northcote.	Mr. Denison.
Major Anson.	Sir John Hay.
Mr. White.	Sir P. O'Brien.
Mr. Seely.	Mr. Turner.
Mr. Holms.	Mr. Duff.
Mr. Howes.	Captain Beaumont.
Colonel Barttelot.	Mr. Baxter.
Sir J. Elphinstone.	Mr. Eastwick.

Sir *S. Northcote*, a Member of the House, was examined.

The Committee deliberated.

Sir *S. Northcote* further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 9*th July* 1869.

MEMBERS PRESENT :

Mr. CANDLISH, in the Chair.

Mr. Seely.	Mr. Mundella.
Mr. Eastwick.	Mr. Holms.
Sir James Elphinstone.	Captain Beaumont.
Sir John Hay.	Mr. Baxter.
Sir S. Northcote.	Mr. Turner.
Major Anson.	Mr. Duff.
Mr. White.	Sir P. O'Brien.

Major General *Jameson*, Mr. *Seccombe*, and Major General *Pears*, were severally examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 13*th July* 1869.

MEMBERS PRESENT:

Mr. CANDLISH, in the Chair.

Mr. Eastwick.	Sir J. Elphinstone.
Sir John Hay	Colonel Barttelot.
Mr. Seely.	Mr. Denison.
Major Anson.	Mr. Baxter.
Mr. White.	Mr. Howes.
Mr. Holms.	Sir P. O'Brien.
Captain Beaumont.	Mr. Grant Duff.
Sir S. Northcote.	

Mr. *Turner* and Mr. *Dundas* were severally examined.

The Committee deliberated.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 16*th July* 1869.

MEMBERS PRESENT:

Mr. CANDLISH, in the Chair.

Sir John Hay.	Sir P. O'Brien.
Sir S. Northcote.	Sir J. Elphinstone.
Mr. Seely.	Colonel Barttelot.
Mr. Mundella.	Major Anson.
Mr. Baxter.	Mr. Holms.
Captain Beaumont.	Mr. Turner.
Mr. Eastwick.	

Mr. *Dundas* and Admiral *Mends* were severally examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 20*th July* 1869.

MEMBERS PRESENT:

Mr. CANDLISH, in the Chair.

Sir J. Hay.	Colonel Barttelot.
Sir J. Elphinstone.	Mr. Denison.
Sir S. Northcote.	Captain Beaumont.
Mr. Seely.	Mr. Baxter.
Mr. Eastwick.	Mr. Turner.
Mr. Holms.	Mr. White.
Major Anson.	Mr Duff.
Mr. Howes.	

Admiral *Mends* and Captain *Tryon* were severally examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 23*rd July* 1869.

MEMBERS PRESENT:

Mr. CANDLISH, in the Chair.

Mr. Eastwick.	Sir P. O'Brien.
Sir John Hay.	Mr. Howes.
Mr. Holms.	Captain Beaumont.
Mr. Mundella.	Mr. Denison.
Sir S. Northcote.	Mr. Barttelot.
Sir J. Elphinstone.	Mr. Baxter.
Mr. Seely.	Mr. Turner.
Major Anson.	

Captain *Tryon* and Mr. *Turner* were severally examined.

The Committee deliberated.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 30*th July* 1869.

MEMBERS PRESENT:

Mr. CANDLISH, in the Chair.

Sir John Hay.	Mr. Holms.
Sir S. Northcote.	Sir P. O'Brien.
Mr. Eastwick.	Captain Beaumont.
Mr. Denison.	Mr. Baxter.
Major Anson.	Mr. White.
Lord Elcho.	Mr. Grant Duff.

Admiral *Mends*, Captain *Tryon*, and Mr. *Dundas* were severally examined.

The Committee deliberated.

Draft Report, proposed by the Chairman, read the first time, as follows:—"Your Committee have examined several witnesses upon the subject-matter referred to them, but are not yet in a condition to report: they have therefore agreed to lay the evidence, already taken, before The House, with a recommendation that the Committee be re-appointed in the next Session of Parliament."

Report read a second time, and *agreed to.*

Ordered, To report, together with Minutes of Evidence, and an Appendix.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Wednesday, 7th July 1869.

MEMBERS PRESENT.

Major Anson.
Colonel Barttelot.
Mr. Baxter.
Captain Beaumont.
Mr. Candlish.
Mr. Christopher Denison.
Mr. Grant Duff.
Mr. Eastwick.
Sir James Elphinstone.
Sir John Hay.
Mr. Holms.
Mr. Howes.
Sir Stafford Northcote.
Sir Patrick O'Brien.
Mr. Seely.
Mr. Charles Turner.
Mr. White.

JOHN CANDLISH, Esq., IN THE CHAIR.

The Right Honourable Sir STAFFORD HENRY NORTHCOTE, Baronet, a Member of the Committee, Examined.

Right Hon. Sir *S. H. Northcote*, Bart., M.P.

7 July 1869.

1. *Chairman.*] I BELIEVE that you were Secretary of State for India during the years 1867 and 1868?—I was.

2. And you have a full knowledge of the transactions in connection with the preparations for the Abyssinian expedition, have you not?—Yes.

3. When did the late Government decide upon making preparations for the expedition to Abyssinia?—The decision to make preparations was taken on the 31st July 1867. The decision to act was taken about a fortnight later, on the 14th of August.

4. Was there ever any question before the Government as to the mode of approach to Abyssinia, whether from England or from India?——Yes, it had been considered; in fact, the whole question of a possible expedition to Abyssinia had been considered in the spring of the year, and there was a general feeling that if an expedition was undertaken at all it had better be from India; and some inquiries were made in India, in the month of May 1867, with reference to the possibility of an expedition; but the idea was at that time laid aside, and nothing was done then.

5. I presume that the advantages and disadvantages of the advance from England and from India were fully considered and discussed?—I have no recollection of any very full discussion as to the possibility of a movement from England. It was taken almost for granted that if an expedition were undertaken it would be most convenient to use Indian troops, and that of course if the Indian troops were used the expedition must be from India.

6. When had you first before you an estimate of the probable cost of the expedition, or at the time when you resolved upon the expedition, had you an estimate of the possible cost?—No, we had no estimate at that time. A sort of guess had been formed with reference to the cost of the Persian expedition in the first instance; but it had been pointed out to us from India that the Persian expedition would be a very inadequate standard of comparison, and that this expedition would be more costly. At the time that the Cabinet came to the conclusion that they would direct preparations to be made they had nothing which could be called an estimate before them.

7. That was the end of July, I think?—The 14th of August. I may explain to the Committee that what I mean by drawing a distinction between the decision to prepare and the decision to act is this: on the 31st of July the Cabinet came to a conclusion, that if an expedition were necessary, no time ought to be lost in collecting transport animals. It was not then by any means certain that an expedition would be decided upon, because a letter had been addressed by Lord Stanley to King Theodore, giving a certain time for a definite reply, and that time would not expire until about the middle of August. We could not decide upon taking any hostile measures until we knew what the nature of that reply would be. But as the time was drawing on it was thought desirable to give authority to

Right Hon. Sir *S. H. Northcote*, Bart., M.P.

7 July 1869.

prepare for the possible contingency of an expedition. The question as to the expense was then raised in the Cabinet, and the statement which I then submitted to my colleagues was, that if we did give instructions to prepare for collecting transport animals, very little expense would be incurred; that all that would be necessary would be to send officers to the proper places to make purchases; and if within the next week or two we found that no expedition need take place, all purchases could be stopped by telegraph, so that a very small sacrifice would be incurred. But on the 14th of August a more important step was taken, and a telegram was then sent to India with regard actually to commencing the expedition. We had by that time received a communication from Abyssinia, which showed to our satisfaction that the king did not intend to comply with Lord Stanley's demand; and thereupon we sent this telegram (No. 31 in the Blue Book) on the 14th of August, to the Government of Bombay: "Tell Sir Robert Napier to make a peremptory demand for the delivery of the captives, and to follow it up by such measures as he thinks expedient. We leave all preparatory measures to your discretion. Your requisitions will be complied with." That is the material part of the telegram.

8. When and from whom had you anything like a full estimate of the probable cost of the expedition?—As soon as we had ascertained from India what the force was which Sir Robert Napier proposed to take with him, we instructed our officers in the India Office to make the best estimate they could of the probable expenditure; and an estimate was prepared mainly by General Jameson, the auditor general (but, of course, in communication with the financial secretary, and in communication also with the proper officers at the War Office and the Admiralty) of the probable sum which we ought to ask for.

9. I presume that you would derive the estimates, in point of fact, from various sources?—Yes; the expenditure which was to be incurred for providing sea transport from this country, was of course estimated for us by the Admiralty, and the expenditure for the provision of stores and mules, which to a certain extent were undertaken by the War Office, was estimated by the War Office; but the whole of the materials were placed in the hands of General Jameson, and it was upon those materials that the estimate was founded.

10. Are you aware of what experience General Jameson had had?—He had had very considerable experience in connection with former expeditions; the Persian expedition, I think, and others, and he had had a great deal of experience in India as Comptroller of Accounts.

11. Were you personally cognisant of who was being consulted in the various departments?—I was.

12. Are you aware whether the departmental officers had had personal experience?—Yes, I think I may say that they had; all had experience in their different departments.

13. Mr. *Christopher Denison.*] Was that preliminary estimate for a given number of men?—Yes.

14. *Chairman.*] On the 14th of August the Cabinet resolved on organising the expedition. May I ask you what arrangements were then made to give effect to their resolution?—The Cabinet decided that the preparations, subject to their general directions, should be entrusted to the Indian authorities, and it was at their request that the Secretary of State for India undertook to manage the details of the arrangements. He then put himself into communication with the authorities of India, the Governor of Bombay, and the Governor General of India, and also with his colleagues at the War Office and the Admiralty, communicating, of course, also with the Foreign Office and with the Treasury upon the various points upon which consultation was required, but the general conduct was in the hands of the India Office.

15. You had settled financial arrangements between the Home Government and the Indian Government; will you describe what those arrangements were?—The Committee will find in the Blue Book the principal correspondence which relates to the financial arrangements between the Home Government and the Indian Government. At page 33 the Foreign Office, in reply to a communication from the India Office, asking for proper authority with regard to certain expenditure, stated in reply, "That as Her Majesty's Government have decided on immediately prosecuting this matter, and on leaving all arrangements therewith connected to be carried out by Her Majesty's Indian authorities, Lord Stanley has requested the Lords of the Treasury to place themselves in communication with the Secretary of State for India in regard to the question of expenditure." Then there are two or three letters which passed between the India Office and the Treasury, which will be found at page 38. No. 56 is a letter from the India office to the Secretary to the Treasury, stating that the Government of India would make the necessary pecuniary advances, and presumed that the Treasury would direct the amount expended to be transferred to the Secretary of State for India at the Bank of England. There is also a letter from the Treasury to the India Office at page 52, No. 78, in which the Treasury ask whether the ordinary means at the command of the Indian Government, for regulating and checking the expenses of such operations would be available with reference to the projected expedition, and whether any additional precautions would be necessary or advisable to check the expenditure. There was subsequently a letter from the Treasury which is at page 54, No. 86, in which the Treasury give further particulars as to the mode in which the arrangements should be conducted. There was another letter from the Treasury, at page 116, in which they enclosed a minute as to the most convenient mode, as they then thought, of conducting the accounts between the two departments. But there was a later letter of theirs, at page 211, in which they enclosed a revised Minute of the Treasury, dated the 23rd September, which contained the final decision of the Treasury as to the mode in which the accounts had better be kept. All those letters are answered in a letter which you will find at page 221 from the India Office, explaining what the Secretary of State for India considered to be the arrangement between the two departments.

16. Did the India Office initiate any views of their own relative to the mode of keeping the accounts, and carrying out the arrangements?—The whole of this matter was settled in personal communication between Mr. Hunt and myself, and the officers who attend to the financial busi-

ness of the India Office, and Mr. Forster, I think, on the part of the Treasury.

17. Then, in point of fact, the ultimate arrangements were with the concurrence of the departments of the Treasury and the India Office?—Yes.

18. You would like to tell the Committee, I believe, why the principal conduct of the business was assigned to the Government of Bombay rather than to the superior government in India?—The time was very short, and it had been decided that the conduct of the expedition should be entrusted to Sir Robert Napier, who was the commander-in-chief at Bombay. As the expedition would necessarily start from Bombay, and as it was considered desirable that Sir Robert Napier should be at once able to act in all matters requiring dispatch, it was thought best to put the whole matter, in the first instance, into the hands of the Government of Bombay, requesting the Government of India to support and assist the Government of Bombay in the matter. At a later period, when the expedition had been dispatched from India, and it was a question as to whether further measures might be necessary for supplying or reinforcing, the matter was put into the hands of the Supreme Government of India.

19. Once more, to revert to the point at which we were a short time since. You were aware the officers of the Admiralty were busy with the Estimates; could you mention their names?—I do not think that I can say who they were. Admiral Mends was the officer who principally attended to the transport business, and Sir John Hay took the principal business as the Lord of the Admiralty then in town, and he will be able to give you the names of any persons who should be examined, or who could give information to the Committee on the subject.

20. Are you aware who prepared the estimates on behalf of the War Office?—I suppose that the estimates were prepared by Captain Galton: but the officers who were employed at the War Office, and who were principally engaged in the conduct of the business were, I think, Lord Longford, Sir Edward Lugard, Sir William Power, Commissary General, and Admiral Caffin, who was Director of Stores.

21. Personally you would not be aware of the grounds or bases upon which they rested the figures which they submitted to you?—I think that I accepted the estimate more upon the authority of General Jameson and the financial authorities in the India Office than upon the authority of the officers of the Admiralty or the War Office. They obtained their facts from the officers in the Admiralty and the War Office, and upon those facts they made their calculations.

22. Did the India Office at all enter into the estimates; had they themselves to prepare and to submit estimates?—Yes, to a considerable extent. There were charges incurred through the India Office itself. A certain proportion of stores was provided by our own store department, and of course for those we had the materials for giving information, and we had to give as good a calculation as we could of the expenditure which we understood was being incurred in India.

23. Then a part of the estimates would be supplied by the War Office, a part by the Admiralty, and a part by the India Office; the whole, as I understand you, being under the general supervision of General Jameson?—Yes. General Jameson will be able, I think, better to explain to you how the estimate which he submitted to us was made up.

24. The details of it you have not, have you?—I have not them by me; I saw them at the time.

25. Can they be produced?—Yes.

26. Do you remember what was the total of the estimate?—The total estimate which was presented in December 1867 was an estimate for 2,000,000 *l.*, required for the purpose of landing the force on the shores of the Red Sea, and that was the whole amount that was asked for then; but an intimation was given by Mr. Disraeli, as Chancellor of the Exchequer, that a further sum would probably be required of, I think, 1,500,000 *l.* to carry on the expedition to the middle of March.

27. Had you not this estimate of 3,500,000 *l.* before December?—We had, of course, the materials in our own possession.

28. May I ask when you ascertained the gross estimate to be approximately 3,500,000 *l.*; 2,000,000 *l.* to the end of the year, and 1,500,000 *l.* more if the expedition continued until the spring?—To show how the matter grew, I have here a private note, dated the 27th of September, from General Pears, the Military Secretary, who had made out a rough estimate of the probable monthly expenditure; and he says to me, "I showed my estimate of probable expenses, which I forwarded to you yesterday, to General Jameson. He says he feels sure that the monthly expenditure, which I estimated hereafter as 300,000 *l.*, will not fall short of 450,000 *l.* His opinion is worth more, I fear, than my calculation." On the 11th of October, General Jameson gave me a more complete estimate, which was an estimate of the possible amount of liabilities already incurred on account of the Abyssinian expedition, from the 13th of September to the 13th of March, exclusive of charges, as after shown, which will be incurred monthly from the date on which the expedition embarks. That paper I can lay before the Committee, and it was one in which I think he arrived at a sum of 2,000,000 *l.* as the expenditure already incurred; and at 370,000 *l.* as the monthly expenditure over and above that sum. What I think he meant by "expenditure already incurred," was the expenditure which would be sufficient, in fact, to place the force on the shores of the Red Sea. It included the estimates of the Admiralty; ships, coals, and provisions, the Indian Store Department, the purchase of pack animals, the feeding, and so forth, and the transport, which was reckoned for four months, and sundry expenses for the marching of troops, and so forth, all of which came to 2,000,000 *l.* Then, he added, "if the force move on the 1st of January, the monthly expenditure, in addition to the above, may be thus estimated." He gave the details, and brought it then to about 370,000 *l.* a month. That was an estimate made out, as I say, in the early part of October; but by the time Parliament met, which was in the end of November, General Jameson had seen reason to increase his estimate.

29. By what amount?—By the amount mentioned by the Chancellor of the Exchequer.

30. Parliament met in November, and at the meeting of Parliament the Government submitted to the House, on the 26th of November,

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7 July 1869.

a statement and an estimate of the probable cost of the expedition, did they not?—Yes, on the 26th of November.

31. On the 26th of November the Chancellor of the Exchequer spoke in the House of Commons to the following effect: "It will now be my duty to explain the probable cost, as far as we can ascertain, of the war in which we may have to embark, and for which we have to a great degree prepared, and also to explain why I have fixed upon 2,000,000*l.* as the amount which it is, on the whole, wisest and best to vote under the present circumstances. The Committee is entitled to the fullest confidence in this matter, and I do not know that I can proceed in a manner more satisfactory to the Committee, as well as to the Government, than if I place before them all the information that we have upon the subject, and state what we believe will be the complete cost of this war, if it should commence, and be pursued, not only to its probable but to its possible termination. The estimates before us, I need hardly remind the Committee, cannot be prepared with the precision with which estimates are usually laid upon the Table of the House, because they refer to expenditure taking place in a distant country, and they must therefore be described as rough estimates; but I wish the Committee to understand that though I avail myself of an epithet in common use, and call them rough estimates, they are not careless estimates. They have been submitted to as severe an investigation as was possible under the circumstances, to much criticism, and to the judgment of most experienced men, and they have led to considerable inquiry even in the distant places where the expenditure must to a degree take place. We offer them, therefore, with as much confidence as we have a right to feel, and that confidence is by no means slight. Assuming, then, that the war commences and is carried on until the end of the month of April, about which time it would be expedient that our troops should leave Abyssinia, we believe it will be necessary that we should incur an expenditure of 3,500,000*l.* That amount will, no doubt, be increased if we are called upon to replace the forces of the Indian Government that are now assisting Her Majesty in this enterprise; but the increase will not comparatively speaking, be considerable; I say comparatively speaking, because I have seen the most absurd estimates on that head in the public papers. In case we have to replace the forces which the Indian Government now lend to Her Majesty, there will be an increase in the estimate of 300,000*l.*, more or less. That is the whole amount which we believe would be required, and would give a total expenditure of 3,800,000*l.*; but the Government would contemplate the possibility of an expenditure, in round numbers, of 4,000,000*l.*, if we have to replace those troops. Now, of this 3,500,000*l.*, 2,000,000*l.* alone will be payable by the Home Government during the present financial year; that is, the year ending on the 31st of March; that is to say, 2,000,000*l.* to meet the advances and make the allowances on account to the Indian Government which would become due before that day, and to make good those advances which have been supplied by the services at home from the appropriated votes. It certainly will not exceed the sum of 2,000,000*l.* in the course of the present financial year; and Her Majesty's Government are therefore of opinion that it is unnecessary to trouble the Committee of Supply for a greater amount than that. There is also another reason, though, I think, I have already given a sufficient one, why it is convenient not to contemplate at the present moment a greater expenditure than 2,000,000*l.*; for, as far as we can calculate, it will take exactly that sum to place our complete force upon the soil of Abyssinia. I think that General Napier may find himself with his army completely equipped and ready for action in Abyssinia at a cost of 2,000,000*l.* I do not wish to indulge in any sanguine expectations, but we ought not to be blind to this contingency, that after these great preparations, and after the invasion of Abyssinia by disciplined troops, it is possible that the further horrors of war may be spared. There are many persons, some of whom are persons on the spot, who entertain even sanguine expectations on the subject. I myself give no opinion upon it, but I think it my duty to place that view of the matter before the Committee. If that result should happily occur, the vote I am going to ask the Committee to give us would meet the expenditure we should have incurred, and it would not be necessary to ask for any further vote in supply for the Abyssinian expedition. I have now placed before the House, as clearly and as succinctly as I could, the general state of affairs." You observe that the Chancellor of the Exchequer stated that he expected that 2,000,000*l.* would carry on the expedition to the close of the financial year, and that more would not be charged upon the votes. Do you recognise what strikes me at first sight as a discrepancy between that statement and the estimate of 3,500,000*l.* to the end of April?—What the Chancellor of the Exchequer said was that 2,000,000*l.* alone would be payable by the Home Government during the then present financial year; that is, 2,000,000*l.* to meet the advances made by the Indian Government, which would become due before that day. It was not intended to imply that there would be no greater expenditure incurred between that time and the end of the financial year, but that the Home Government would not have to pay it.

32. Can you explain to the Committee how it comes that liabilities having accrued, and existing before the close of the financial year, are not payable within the financial year?—You cannot pay your bills till your bills are sent in; that is the short answer to your question: but I may also observe that I believe some portion of this expenditure would have become chargeable against votes which had been already taken in the Army and Navy Estimates, and would not have to be paid to India at all, and that, to a certain extent, that would have been provided for out of money already voted.

33. Are the Committee to understand, then, that there were items in the Estimates for the Session closing August 1868, specially for the purposes of this Abyssinian Expedition?—No; but that there would be over votes upon other services, which might be available to carry you on to the end of the financial year.

34. Touching the mode of payment, the Indian bills were usually drawn, at a month, upon the Home Government; contractors on behalf of the expedition, in Constantinople, Suez, and Bombay, for instance, were paid by bills on England, drawn at

at a month, were they not?—I am not sure how those bills were drawn.

35. Do you remember what sum became chargeable upon the Votes within the financial year closing the 31st March 1868?—I think only the 2,000,000 *l.*

36. Between the meeting of Parliament, in November, and February, you had not occasion to revise the estimates at all, had you?—We had no occasion to present any revised estimate to Parliament until the time came for the regular Budget.

37. Had you any reason in February to expect that your original estimates were inadequate for the work of the expedition?—Yes, when we saw what the scale of the expedition was, and what cost was going on, we foresaw that we should be obliged to ask for a larger sum than that of 1,500,000 *l.* which has been spoken of.

38. I see by "Hansard," that on the 10th of February, the Honourable Member for Brighton put a question to yourself in these terms, "whether the monthly cost of freight between Bombay and Abyssinia was not 392,000 *l.*;" and your reply is, "With regard to the monthly cost of freight, he did not know on what the calculations referred to by the Honourable Gentleman were founded. All he could say was, that he had no information which would enable him to name any particular sum as the cost of freight, the information he had received of course placed the cost at a very much less sum. In anticipation of the Session, he had telegraphed to the Governor of Bombay, for all the accounts as to the charge of transport that could be furnished. That morning he had received a considerable number of them, and he had given directions that the best estimate that could be made should be drawn up from them. He had no reason to believe that the report alluded to by the Honourable Gentleman was founded on correct information." Had you at any time any estimate of the cost of transport?—No, we had no precise estimate.

39. But at that time the Government had reason to believe that the estimates would be exceeded had they not?—Yes, I think we foresaw that there would be some additional expenditure.

40. Two days later I find that the Honourable Member for Peterborough, addressed a question to the Chancellor of the Exchequer. "Mr. Whalley said he would beg to ask Mr. Chancellor of the Exchequer with reference to the Abyssinian expedition, whether the estimate of the probable expenditure presented to the House in November last, when the expedition was sanctioned, is likely to be exceeded, and if so, whether he is prepared to state to what extent, and what are the circumstances which account for the same." The Chancellor of the Exchequer replied, "I have no reason to believe that the estimates for the Abyssinian expedition have been exceeded." Whereupon a late Member, Mr. Darby Griffith, followed the matter up by a further question, and said, "He wished to ask Mr. Chancellor of the Exchequer in reference to his statement that he had no reason to believe that the estimates of the Abyssinian expedition had been exceeded, whether this referred to the sum of 2,000,000 *l.*, which was the amount at which they had been placed according to the popular impression, or to the sum of 4,000,000 *l.* which the Right Honourable Gentleman had himself specified as that to which they might probably reach." To which the Chancellor of the Exchequer replied, "I thought, sir, my previous answer to the Honourable Gentleman opposite was sufficiently explicit. I can only say to my honourable friend, that I have no reason whatever to believe that the general estimate I put before the House has been exceeded." Do you remember those statements being made?—With regard to the answers which the Honourable Chairman has just now put to me, I remember that question being put, and these answers being given, and I think I remember that the Chancellor of the Exchequer laid very great stress (and as it seemed to me, the House understood the stress that he laid upon it) upon the words "has been exceeded." The fact was, that at that time we were quite unable to give any information as to the probable estimate which we should have to lay before the House when we came to ask for a further vote. With regard to the question which was put, whether the estimate was likely to be exceeded, Mr. Disraeli did not answer that question, but he laid emphasis upon the words that he believed the estimate had not been exceeded. Of course at that time they had not been exceeded.

41. The question is, was it likely that the estimate would be exceeded, and seemingly the Chancellor of the Exchequer answered a question which had not been put, was not that so?—Just so. He did not answer the question which was put to him; and it certainly struck me at the moment, and I thought that the House generally perceived the difference between the answer and the question.

42. At that time had you information which led you to believe that the original estimate put before the House would not be sufficient for the expedition?—I believed so, certainly.

43. Sir *Patrick O'Brien.*] That information was not known only to the India Office, but to the Cabinet, I presume?—It had not been communicated particularly to the Cabinet; it was information which I had received, and undoubtedly it would have been mentioned in general conversation amongst us; but it had never been brought formally before the Cabinet.

44. Sir *John Hay.*] It was not in the shape of precise information, but only as rumour?—We knew that certain expenditure was going on, and we could not help forseeing that it would be more expensive than we had reckoned upon, but we had no definite information at that time.

45. *Chairman.*] I will direct your attention once more to a question put to the Chancellor of the Exchequer (then, I think not Mr. Disraeli, but Mr. Hunt). On the 16th of March in the same year, I think there had been a change of Government in the meantime, the question was put by Captain Vivian who asked the Chancellor of the Exchequer, "Whether the estimate of the probable expenditure on account of the Abyssinian expedition which was presented to the House in November last, is likely to be exceeded; and, if so, whether he is prepared to say to what extent, and what are the circumstances which account for the same." The Chancellor of the Exchequer replied, "I think it has been usual for this House to be content till the Budget has been brought forward, in order to learn whether the estimates have been exceeded or not; and I think it highly inconvenient for piecemeal financial statements to be elicited from the Chancellor of the Exchequer by questions addressed to him in this House.

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But under the circumstances of the case, I do not propose to decline to answer the questions of the honourable and gallant Member. The public mind has been made uneasy by exaggerated statements as to the expenditure going on in Abyssinia, but I trust that in answering the question I shall not be considered as affording a precedent for the repetition of this practice. My right honourable friend, the first Minister of the Crown, stated in November last, that it was estimated that if the expedition lasted, as was anticipated, to the end of April, the expenditure would amount to 3,500,000 *l.*, and in certain eventualities it might extend to 4,000,000*l.* From the best means of information at my disposal, I am able to state that I believe up to the time I am speaking, the expenditure in Abyssinia will be covered by the lower of these two amounts." Captain Vivian said he would beg to ask, if the Right honourable Gentleman will lay the Estimates on the Table? The Chancellor of the Exchequer, "I must decline to do so;" Mr. Childers said, "He wished to know if he had correctly understood the Right honourable Gentleman?" the Chancellor of the Exchequer stated, "that the First Lord of the Treasury had said in November that if the expedition lasted till the end of April, the expense would be so much," but he went on to say that the Estimate had not been exceeded. Did he mean to say that in the middle of the month of March the Estimate for the expenditure, till the end of April, had not been exceeded? The Chancellor of the Exchequer: "What I stated was, that my Right honourable friend had informed the House, in November last, that if the expedition lasted till the end of April the expense would amount to 3,500,000*l.*, and might extend to 4,000,000*l.*; but that I believed that the whole expenditure, up to the present time would be covered by the lower of the two amounts, namely, 3,500,000*l.*" You see that the question asked was whether or not the Estimates had been exceeded, and the answer was that the sum estimated had not been exceeded up to that date, I think?—I think that the answer, though it may not be precisely an answer to the question, is an answer which is perfectly clear and intelligible in itself as a statement, and that it was consistent with the facts of the case.

46. On the 23rd of April, Mr. Hunt, then the Chancellor of the Exchequer, made his annual financial statement, and submitted a revised and enlarged estimate of the Abyssinian expedition; did he not?—He did.

47. He made this statement: "I now come to the extraordinary expenditure of the year, namely, that for the Abyssinian expedition. It will be in the recollection of the Committee that, in moving a vote of credit for that expedition, my right honourable friend stated that a sum of 2,000,000*l.* would be required to place the expedition on the shores of Abyssinia, fully equipped. We have no reason to suppose that the estimate has been exceeded. It was contemplated at the time, that Sir Robert Napier would land with the whole of his force by the 1st of January 1868; and it was stated to the Committee that, as the expense to be incurred over and above the 2,000,000*l.* during the financial year 1867-68 would be defrayed in the first instance by the Indian Government, there would be no chance of our being called to account for that expenditure within the financial year. My right honourable friend stated that the expenditure for the expedition alone, up to the end of April, was then expected to amount to 3,500,000*l.*, or possibly 4,000,000*l.* Considering all the circumstances of the case, considering the unknown character of the country to which we were sending our troops, and the disadvantage we were under in regard to obtaining information, owing to the distance from this country, I think the officers of the Indian Government, on whom we principally relied for our data, deserve very great credit for the estimate which they made. But since that statement was made, we have heard that the supplies to be obtained from the country itself were much less than it was anticipated they would be. The consequence is, that supplies have had to be conveyed from a distance, and the estimate of transport expenditure has been considerably exceeded. Taking it that 2,000,000*l.* will pay the expense of the expedition up to the end of the year 1867, on the information that we have now before us, we estimate that it will require from the commencement of the natural year, from the 1st of January 1868, 600,000*l.* per month to defray the cost of the expedition. Considering that the 2,000,000*l.* clears off the account up to the end of the year 1867, we start the natural year 1868 with an expenditure of 600,000*l.* per month I propose to lay on the table the estimates that have been prepared at the India Office; but I will state to the Committee the heads under which the expenditure falls. The ordinary pay of the troops is excluded, that being defrayed by the Indian Government. Sea transport will cost 400,000*l.* per month; provisions for troops, 28,000*l.*; provisions for baggage animals, 90,000*l.*; extra allowance to troops over and above their ordinary pay, 10,000*l.*; coals, 26,250*l.*; and miscellaneous items, 35,000*l.*; making a total of 589,250*l.* per month; or, in round numbers, 600,000*l.* We expect that the expedition will last until the end of May, and that five months will have to be paid for at the rate named. The information my right honourable friend has received from Sir Robert Napier is, that he anticipates, if all goes well, and the accounts lately received lead us to suppose that all things are going on well, he shall be on his way homeward, with his back upon Theodore and his army, by the 20th of April. If there be any further charge we believe it will be very small in amount, and it will probably be met by the supplies taken back by the Indian Government. Therefore we have no reason to suppose there will be any additional charge of more than an insignificant amount; assuming, of course, that the expedition closes by the end of May. According to information at our disposal, we estimate the total expenditure for the Abyssinian expedition, supposing that it is successful, and supposing, as we have reason to hope, that it leaves the country by the end of May, at 5,000,000*l.* Of that, 2,000,000*l.* has been already provided for, and 3,000,000*l.* has now to be provided." Can you inform the Committee whether this second estimate, revised and enlarged, was by the same authorities who submitted the first estimate?—Yes. The information which was supplied to the Treasury by the India Office is given in a Paper which is referred to the Committee, No. 219. It was a Return, dated the 23rd of April, the day of the Budget, and contained the calculation which was given by the India Office with regard to that portion of the expenditure of which they were cognisant. I would

would draw attention to the note at the end of that statement: "Provided the expedition terminates on the 31st of May, it would not be safe to ask for less than 3,000,000 *l.*; and there are charges which cannot at present be estimated, such, for instance, as the railways, telegraphs, &c. If continued beyond the 31st of May next, it would be safe to estimate a further charge of 600,000 *l.* for every month beyond that date." I put in this Paper, No. 219, of 1868. (*The same was delivered in,* vide *Appendix.*)

48. Have you any further explanations of this estimate, accounting for its enlargement on the estimate of November, beyond what appears here?—I do not know that I have. Of course there was the whole correspondence that was going on, which was all submitted to our financial authorities as it came in, and from which from time to time they formed their estimates.

49. Was the extent of the expedition increased beyond what was originally proposed?—Yes, to a certain extent. The number of men, which had been originally contemplated at 12,000, I believe, amounted to about 13,000.

50. Do you think that that accounted in any degree for the increased estimate?—I have no doubt that that had something to do with it.

51. The increase in the expedition was at the instance of the Commander-in-chief, was it not?—Yes.

52. Are you aware of the items in this estimate that went in excess of the items in the first estimate?—I have not compared them, and I do not think that I could speak to them. I think it would be better that General Jameson should speak to that.

53. You are aware that the ultimate cost has been very much in excess?—I understand that it has been very much in excess.

54. Approximately, between 8,000,000 *l.* and 9,000,000 *l.*?—So I understand. Parliament has voted 8,600,000 *l.*

55. Do you know how much was expended in coining Spanish dollars for the use of the expedition?—I am afraid that I cannot answer those questions of detail very well; I have not had recent access to official documents, and I think such questions would be better answered by others.

56. It was in accordance with the decision of the India Office, was it not, that mules, coals, hay, and other things needed for the expedition were supplied by contract?—Yes.

57. You would not be able, I presume, to give any explanation as to the precise sum paid for coals, for instance?—I could not give you any information that would be very precise. With regard to the coals, the Admiralty will be able to give the proper information.

58. Could you give any information about the transports?—That would also belong to the Admiralty. Of course I was made aware of those things at the time, but I am not the best person to speak to them.

59. Sir *Patrick O'Brien.*] You mentioned that there had been only a guess, in the first instance, made as to the probable estimate, and that in making that guess consideration was had to the previous Persian expedition; was there any consideration given at that time to the old war which had taken place in Affghanistan in forming a probable estimate in reference to Abyssinia?—Yes, it was mentioned amongst other matters. The original suggestions which were made by persons who were proposing the expedition of course contained some rough guesses at the cost, and they drew their estimates from what they said had been the cost in Affghanistan, or what had been the cost in Persia. Those papers were sent out to India, and the answer from the authorities in India was that we must not take the Persian expedition as any kind of test. I do not think that any special reference was made afterwards to the Affghan expedition.

60. Am I wrong in supposing that the estimated cost for the Affghan campaign in a mountainous country something like Abyssinia, was very much under what afterwards appeared to be the actual cost; in short, did it not amount to 10,000,000 *l.*, although it had been originally contemplated that it would only cost 3,000,000 *l.* or 4,000,000 *l.*?—I cannot give you the figures, but I believe that there was a great under estimate there.

61. I think that there were mules purchased in India for baggage purposes, as distinguished from those purchased in Europe; who were the persons employed by the Indian Government to make those purchases in India?—The various officers of the Commissariat. Colonel Dunsterville was at the head of the Commissariat in India, and those matters would have been generally under him. I think that Colonel Clarke was sent to the Persian Gulf to make purchases.

62. Were those different persons employed for those purchases instructed as to the persons who were employed, or is it possible that such a state of things as this occurred; that persons acting for the Indian Government in the northern provinces of India were not aware that there were persons coming from the same Government in the same place, and that they were actually bidding against one another for animals for Government purposes in India?—I think that there was a collision of that sort in Egypt for a very short time; that is to say, there was an officer there on the part of the British Government, and another officer on the part of the Bombay Government, but it was found out directly. I do not know whether they did bid against each other. At all events, the matter was stopped directly. Whether there was any collision in the Punjaub I do not know. I know that the Government of India undertook to provide a number of mules, and that they did provide some from the Punjaub, but whether the Bombay officers were purchasing in the Punjaub or not, I do not know.

63. But those officers who were instructed to make those purchases will be able to give that information, will they not?—Yes, no doubt.

64. *Chairman.*] Was the probable cost of the return of the force taken into account when the original estimate, and the second estimate, were formed?—Yes; there was a general idea that there would of course be an expense in bringing back the troops. No very definite estimate had been formed because we had not been very clearly informed as to the nature of the transport arrangements; but we understood that a considerable proportion of the transports would have, in any case, to be discharged in Bombay; and as they would have to go back to Bombay, we concluded that it would cost very little more to send them back full as compared with sending them back empty. We also roughly set the value that we set upon the stores that would be unused against

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against the additional expense of the transport back.

65. In point of fact, I believe the Government found that the cost of returning the force has been very much in excess of what was estimated?—Very much indeed, I am told.

66. And the transport had been very much longer employed than was estimated, had it not?—Very much indeed.

67. Will the protracted time account, in some considerable degree, for the excess of estimate?—I imagine, without having sufficient data to submit, that that is a main cause of excess.

68. Have you reason to complain of the failure to estimate with more accuracy the time necessary to close the expedition after the objects for which it was sent out were accomplished?—It was extremely difficult to estimate the time, because so much depended upon the time of the setting in of the monsoon, and the moment at which the troops might be able to reach the shore. If they could have reached the shore, and sailed somewhat earlier before the monsoon had set in, I presume it would have made a very considerable difference in the time of reaching Bombay.

69. In point of fact, the object of the expedition was accomplished within the time originally estimated, was it not?—It was.

70. And no increase of cost was attributable to the operations being protracted beyond the estimated time?—We expected they would have reached the coast and been off earlier than they were.

71. What steps were taken to obviate unnecessary delay in back carriage?—Two officers were sent out from the War Office with authority to dispose summarily, on the spot, of a large proportion of the stores, it being considered that it would be probably more economical to abandon stores than to re-transport them; but unfortunately those officers were on board a vessel upon which small-pox broke out, and they were retained in quarantine, I think, at Alexandria, and they did not arrive until too late. One of them died, and the other came back, I believe, or went on to Bombay, having done nothing.

72. I presume the officers superintending would be able to explain that to the Committee?—Yes.

73. Are those officers now in England?—I think General Sir Edward Russell, who superintended the re-embarkation, is in England, and that he would be the best person to speak upon that point.

74. When did the Government become aware that the estimate of 5,000,000 *l.* would be exceeded?—I can hardly say; Mr. Hunt stated the other day in the House of Commons, that the first information that he received was on the 10th of August 1868. I received a good many hints from different persons which were very contradictory and conflicting. I ought to say that very shortly after the expedition had closed, Sir Seymour Fitzgerald told me in private letter that he was afraid that the expenditure would turn out greater than we had reckoned upon. He could not give me any definite information, and I had nothing that I could go upon. On the other hand, Lord Napier of Magdala when he was in this country did not appear to think that there would be any material excess. Under these circumstances, I cannot say that I had formed any conclusion as to what would be the out-turn of the concern, though I had some fear that there would be an excess.

75. That was up to the time when Parliament was prorogued, was it not?—Yes, I am speaking of the months of June and July 1868.

76. The indefiniteness of the facts would account for you not asking Parliament for more money, I presume?—We should not in the least have known what to ask for. It would have been quite impossible.

77. Who are the officers at the India Office who could give the Committee further evidence as to details?—General Jameson, whom I have already mentioned, who was the Auditor General and also Mr. Seccombe the Financial Secretary, and General Pears the Military Secretary, and perhaps Mr. Talbot the Director of Stores, upon any point upon which the Committee may desire information.

78. Do you remember the date of Sir Robert Napier's landing?—The 3rd of January.

79. And he arrived at Magdala on the 10th of April, did he not?—Yes.

80. And Magdala fell on the 13th April?—Yes.

81. He commenced his homeward march on the 18th, did he not?—I think he did; and I think the last detachment left the shore on the 18th of June.

82. Mr. *White.*] I think I understood from you, that prior to July 1867 you had taken measures to ascertain the probable routes, and I also presume the probable expense which might be incurred if it was decided that the expedition to Abyssinia should take place?—Hardly. In the month of May we had before us a memorandum by Sir William Coghlan, who had taken great interest in the question, and who had been formerly Political Resident at Aden, proposing an expedition. That matter was to come under the consideration of the Government; and I, being aware that it would come under their consideration, sent a copy of this memorandum to the Governor General, and also to the Governor of Bombay, requesting their opinion upon the matter. Immediately afterwards, or within a week or so afterwards, the Cabinet decided not to proceed any further at that time in the direction of an expedition. They decided instead to send another letter to King Theodore, and I therefore communicated with the authorities in India that the matter was put aside. Nevertheless, they did make inquiries with reference to the matter, and communicated them to us in memoranda; but those did not go at all carefully into the question of expense, except by saying, in a general way, that the expense would be large.

83. Then, do I understand that when the Cabinet decided to make this expedition, you had no idea of what expense would be incurred?—You may almost say that we had no information which would enable us to say, with any precision, what the expense was likely to be.

84. It was assumed that the expedition would be successful, or else of course you would not have undertaken it, and throughout it seems to have been assumed that the expedition would have accomplished its objects by the end of May; in discussing the matter in the Cabinet, and as you decided to make the expedition, was there no rough estimate of the probable expenditure which would be incurred by such an expedition?—There was a very strong impression on the minds of the Government that the mere sending of the expedition to the coast would be sufficient to obtain

tain the release of the captives, the King having never refused to deliver up the captives. The instructions given to Sir Robert Napier were, that he should demand the captives, and that he should support his demand by such demonstration as might be necessary to attain the object; and the strong impression on the minds of most of the Government, I think, was that in all probability the whole matter would be concluded for the expense of 2,000,000 *l.*, which might be incurred in sending a proportion of the force to Abyssinia.

85. Then do I understand that when you sent the telegram of the 14th August, in which you say, "Your requisitions will be complied with," that had reference to any assumed expenditure to be incurred, or was it a *carte-blanche*?—It was a *carte-blanche.*

86. Whether it was 2,000,000 *l.* or 20,000,000 *l.*?—The Cabinet intended to leave to the judgment of the Government of Bombay, and of Sir Robert Napier, the expense that ought to be incurred, and that would be necessary.

87. Are you of your own knowledge aware that any such power was ever given before to a Governor?—I really cannot say whether there is any precedent for it; it was a strong step to take, undoubtedly, but it was taken with the belief that if the expedition was to succeed, it could only succeed by putting a thorough trust in the commander, and supporting him to such an extent as he might think necessary.

88. Will the archives of the War Office show that the Duke of Wellington or any commander ever had similar powers bestowed upon them?—I am not able to answer that question.

89. In the original estimate made by Mr Disraeli, he refers to a probable charge which might be incurred in paying the expense of troops which might be required in substitution for the Indian troops employed in Abyssinia; was there any charge of that sort ever incurred?—I am not aware.

90. Was not 300,000 *l.* the amount which he said might probably accrue in that respect?—I am aware of the estimate, but I am not aware whether any expense was incurred for replacing troops or not. I may mention that at a somewhat subsequent period the Government of India informed us that they thought it would be necessary to raise more men in order to supply the void which had been created, and discussions took place as to the mode in which those men were to be paid for, but I am not aware whether they were raised or paid for.

91. I see that Mr. Ward Hunt, who was then Chancellor of the Exchequer, said that, assuming that the expedition would be carried on till the end of May, the cost would be 5,000,000 *l.* Seeing that Magdala was taken on the 13th of April, and that the estimated cost of the expedition, if it ended in May, was to be 5,000,000 *l.*, and seeing that it has now mounted up to 9,000,000 *l.*, do you not think that there is an extraordinary discrepancy between that statement and the actual out-turn?—I have no doubt that there is an extraordinary discrepancy, but I would point out that the expedition was not over, that is to say, the expenditure on the expedition was not over, on the 31st of May, nor for a considerable time afterwards.

92. You have stated, have you not, that before the end of the Session you felt convinced that the estimate of 5,000,000 *l.*, as made by the Chancellor of the Exchequer in his financial statement in April 1868, would be exceeded?—I do not know that I went the length of saying that I felt convinced of it. I had reason to fear that it would be so, on account, as I say, of the suggestions which were made to me by various persons returning from the country, and from the expressions in some of Sir Seymour Fitzgerald's letters. But, on the other hand, so far as my communications with Lord Napier of Magdala went, I had reason to think that those apprehensions were probably exaggerated, and, therefore, I had not formed any very definite opinion as to whether there would or would not be any great excess.

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93. You really then had not sufficient material to justify you in submitting a supplementary estimate to the House before the close of the Session?—Certainly not.

94. As you say that you had hints and suggestions, it is obvious that there must have come under your cognisance the statements that were made in the public prints of the utter inadequacy of the estimates which had been submitted to Parliament?—Yes.

95. Those statements, you are aware, were called by Mr. Disraeli "absurd statements"?—I cannot remember particularly, but I daresay they may have been.

96. You spoke of the opinion expressed by persons who had returned from India. You will pardon my asking you the question; but there being such a concurrence, or what I may call such a *consensus* of opinion with regard to the magnitude of your expenditure in this expedition, and looking at the public prints and private letters, and the general knowledge of persons who had been upon the spot, could you not, by collating and comparing such testimony, have obtained a sufficient amount of information to have submitted to the House of Commons a supplementary estimate of a couple of millions?—Certainly not. I had no information which led me for a moment to think of such a sum as a couple of millions. In one of Sir Seymour Fitzgerald's letters he said: "I fancy that the expenditure may come to six millions;" but he was quite ignorant of what the stores would sell for, or of what the length of time of the disembarkation would be, or anything else; he was obviously only speaking from guess; and to have come down to the House of Commons, and asked even for a million, on a mere guess, would have been, I think, rather out of the ordinary course.

97. I put the question because, to some extent, I was responsible for some of those "absurd statements," which proved to be correct?—I am aware that some statements which were made were, undoubtedly, laughed at which afterwards turned out to be more correct than we supposed; on the other hand, statements were made with considerable minuteness which proved to be extremely incorrect; for instance, the sum which was supposed to be expended on the condensing of water. The daily supply of water was put at a dreadfully large figure. I had very accurate calculations as to what the amount was, and I think it was a sum of 240 *l.*, which had been represented to be a sum of 4,000 *l.* I have no doubt that such calculations as these led to the use of the word "absurd."

98. With your present knowledge of the expenses of the expedition, can you succinctly state whence, in your opinion, arises this difference between the estimates and the actual expenditure?—

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ture?—I would rather not do so without having the accounts definitely before me. I think you would get them better from persons with the papers in their hands.

99. I think that you have furnished to the Chairman of the Committee the names of those persons who, you think, will give the required information?—Yes, I think so; and I shall be prepared, as a Member of the Committee, to mention others, if necessary.

100. Captain *Beaumont.*] Whom do you consider generally responsible for the arrangements with respect to transport and the purchase of mules?—The Secretary of State for India was generally responsible for the whole of those arrangements; but he considered that the Admiralty would be the proper department to undertake the transport arrangements, and accordingly it was arranged with the Admiralty that they should do so. With regard to the mules, that in the same way was arranged by the War Office. The Secretary of State for India informed those two departments what demands would be required to be supplied, and they took the proper steps for supplying them.

101. Then, in point of fact, am I right in assuming that there is no one department which is responsible?—On the contrary, I think that the India Office is responsible for everything, in the sense of being responsible for having entrusted this or that duty to this or the other department.

102. Whom would you consider as responsible for the scale on which the preparations were made; that is to say, with respect to the stores in point of quantity?—I should say, that if there is any one person responsible it is myself; that is to say, the Cabinet entrusted me with the duty of seeing that the expedition was properly organised, and in communication with my colleagues I gave the necessary authority. If any question arose as to whether 5,000 mules or 7,000 mules should be purchased, that question was referred to the India Office; and according as the India Office decided that it should be 5,000 or 7,000, so the War Office took their measures to provide them. The responsibility for the demands rests upon the Government of Bombay and the Commander in Chief; but the responsibility of complying with those demands rested upon the India Office; that is to say, upon the Secretary of State for India.

103. Mr. *Seely.*] Did you transmit the orders of the English Government to Bombay?—Yes.

104. Were they sent in the first instance for the preparing of the expedition to the Governor of Bombay?—Yes.

105. I thought that Lord Napier was to have full power over everything connected with the expedition?—It is very difficult to say what is meant by "full power." He was not put in authority over the Government of Bombay, but it was understood that whatever his applications were, they would be as far as possible complied with. I do not think that he was ever put in any position of authority above the Government, if that is the meaning of the question.

106. Were there any private notes sent besides the official documents which have been published?—I was in constant private correspondence with both the Governor of Bombay, the Governor General, and Sir Robert Napier; but I do not think that there are any instances in which action was taken upon any private notes, except the one which has been inserted in these papers, viz., my letter of the 31st of July, which is enclosed in my letter of the 16th of August, at page 31 of the Blue Book. It is an important letter, and I think that the Committee would do well to refer to it.

107. Am I to understand that there were no private notes sent to India, which would have a bearing upon the cost of the expedition which are not before Parliament?—I do not quite understand what the honourable Member means by "bearing upon the matter." Undoubtedly there was a good deal of private correspondence, which both supplied information and conveyed criticisms, but there were no directions given. The Government of Bombay acted upon the authority given them by the public letters and upon that authority alone; and I understand that they would accept the full responsibility of having acted on those letters. I am not aware that there was anything, in any private letter, upon which they in fact acted.

108. Then I should like to understand whether Lord Napier and the Governor of Bombay had joint power, or if not, in what respect each had power?—Sir Robert Napier being at that time Commander in Chief of Bombay, was a Member of the Government of Bombay, and all decisions that were taken by the Government of Bombay were, I apprehend, taken by a body of which the Governor and the Commander in Chief were Members. I do not understand that until Sir Robert Napier left India he had any independent authority, except such as a Commander in Chief would have over the discipline and conduct of the force. If it were a question of supplies, for instance, I apprehend that Sir Robert Napier could not, of his own authority, have required that such-and-such articles should be supplied unless he carried the Government of Bombay with him.

109. Then had the Government of Bombay power to order the supplies, irrespective of and even in opposition to, the wishes of Lord Napier?—I do not think that the Government of Bombay would have been held justified if they had ordered any supplies which Lord Napier said were not required, and which he did not ask for; but what he asked for was subjected to their criticism and control; and they might have refused, and I believe did refuse to comply with some of his requisitions. But I would say with regard to that matter that I understand that a committee sat regularly in Bombay upon the arrangements, and I think it would probably be well that some members of that committee should be called, or that the minutes of that committee should be sent for.

110. Are you aware that Lord Napier and Sir Seymour Fitzgerald differed materially, with regard to the organisation of the Land Transport Train?—Yes.

111. I think you stated that the Government in England thought time of such importance, that even before war was determined upon, orders were given to purchase animals?—Yes.

112. Are you aware when the organisation of the Land Transport Train was settled?—I think it was in October.

113. Are you aware whether, in August, Lord Napier put before Sir Seymour Fitzgerald a plan for the organisation of the Land Transport Train?—I believe so.

114. If that had been accepted, I suppose that time

time would have been saved?—My impression is that time would have been saved, but I am not prepared to give a positive opinion upon that.

115. Who settled whether the Indian troops should be supplied from one Presidency, or from more than one Presidency?—The organisation of the force was a matter of communication between the Governments of Bombay and of India. I am afraid that I cannot give as full an answer to that question off-hand as the honourable Member, perhaps, would expect; but we felt that upon a question affecting in any way the defence and safety of India, it was necessary that the Government of India should be consulted, and should be assenting parties to what was to be done. At the same time we were anxious that the composition of the force should be left as far as possible to the Commander in Chief. I think I am correct in saying, speaking very generally, that the upshot of the arrangements was that the Commander in Chief at Bombay proposed to the Government of India the composition of the force; that they made their objections or suggestions, and that the matter was arranged between the two Governments.

116. Are you aware whether Lord Napier wished to have the whole of the troops for Abyssinia drawn from the Presidency of Bombay?—I think he did.

117. Are you aware that a portion of them was drawn from the Presidency of Bengal?—Certainly, and some from Madras.

118. By whose order was that done, in opposition to the wish of the Commander in Chief?—That must have been done as the result of communications between the Government of Bombay and the Government of India.

119. Are you aware what the distance is from the north-west frontier of our territory in India to Calcutta?—It is about 1,500 miles from Peshawur to Calcutta.

120. A portion of the troops for Abyssinia were, I think, drawn from that quarter?—Yes.

121. Are you at all aware of what extra time it would take for those troops to go from Calcutta to Abyssinia than if the troops had gone from Bombay?—I cannot say whether time was lost by the arrangement which was made, because of course it was necessary to supply the places of the troops by bringing up others; you could not altogether denude one part of India of troops.

122. My object was not to show that time was lost, but with reference to the cost; do you happen to know how much longer troops would be in going in a sailing vessel from Calcutta to Abyssinia than in going from Bombay?—I cannot tell you the time, but of course it would be considerably longer.

123. Are you at all aware what the cost would be of bringing those troops from the North-west frontier of India to Calcutta?—No, I cannot give you that.

124. Nor how long they would be occupied in going?—I cannot answer those questions.

125. Are you aware when the mules from the Mediterranean were landed in Abyssinia?—I think they began to be landed in November.

126. Were drivers and attendants in sufficient numbers sent with them, or were the drivers and attendants brought from India?—I am afraid that there was not a sufficient number of drivers and attendants with them.

127. Were the drivers and attendants brought from India?—A certain number were.

128. Do you know when those drivers and attendants reached Abyssinia?—No. Those from India did not come until much later.

129. Are you aware that there was a great mortality in the mules soon after they were landed?—Yes, I am aware that there was a great mortality soon after they were landed.

130. Do you think that that would arise partly from not having proper drivers and attendants?—From not having a sufficient number of drivers and attendants, and also from the circumstance of the great deficiency of water which had not been reckoned upon.

131. And want of food too?—And want of food too, I believe.

132. Had the India Office an offer from a certain firm to supply 1,000 mules at 31 *l.* 10 *s.* each landed in Abyssinia?—I think that there was an offer of that sort; but I forget at this moment the circumstances.

133. Are you aware what was the cost of the mules which were bought in the Mediterranean when landed in Abyssinia?—No. I think you had better get that information from the War Office authorities.

134. Are you aware of what the mortality in the mules was soon after they were landed?—I have no figures which I can give, but I know that it was very considerable.

135. From whom should we best get that?—Major Warden, who was at the head of the department, is dead, unfortunately. I imagine that Colonel Holland would be the right person to give that information; but upon those points the Military Secretary at the India Office would also be able to give you information.

136. Mr. *Baxter.*] You referred, I think, in one of your answers to the Honourable Baronet, the Member for King's County, to certain rough guesses which had been sent home from India for the guidance of the Government, founded upon the cost of former wars, the campaign in Affghanistan in particular, as to the probable cost of the Abyssinian war; could you give us an idea of the date when those guesses were received?—Those were in July, I think, or August.

137. Can you inform the Committee of the amounts of the guesses?—About 2,000,000 *l.* was the amount that we talked of. The first that I remember of any sum being named, was I think in May, when the matter was raised by Sir William Coghlan's memoranda, and a sort of guess was made as to whether it might cost as much as the Persian expedition, the Persian expedition having cost 2,000,000 *l.* That was the sort of datum upon which we worked, and subsequently the authorities in India said, "You will find that it will cost a great deal more than the Persian Expedition."

138. But had you not received from certain parties information either in the shape of rough guesses or calculations, that in their opinion the Abyssinian war would cost a great deal more than two or three millions?—There were all sorts of guesses made, but not by people of any authority.

139. Not by people who had studied carefully the expenditure in Indian wars?—No.

140. I gather from your answers to some inquiries that Lord Napier all along thought that the campaign would be much less expensive than it has turned out to be?—I do not know that I said that. I said that I gathered from my conversations with Lord Napier of Magdala when he

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he was over here after the expedition had concluded, that there would not be any very great excess upon the estimate. That was my impression.

141. I understood you to say that Sir Seymour Fitzgerald warned you that in his opinion the expenditure would be considerably in excess of that estimate, but that in communication with Lord Napier you found that he differed from that opinion?—Yes; I should say that from the beginning of the matter, Sir Seymour Fitzgerald always advocated a smaller expedition, and had always been uneasy as to the probable expenditure which would take place. The demands of the Commander in Chief were considerably criticised by Sir Seymour Fitzgerald, and as far as he felt himself able to do so, they were restricted, but the Government supported Sir Robert Napier in his demands, and we believed that Sir Seymour Fitzgerald took a rather exaggerated view of the probable expenditure of the expedition. When therefore I found at the end of the expedition that Sir Seymour Fitzgerald was merely saying in a loose way that he thought the expenditure would be exceeded, and when I found on the other hand that Lord Napier did not think that it probably had been, I did not attach the same weight to Sir Seymour Fitzgerald's conjectures as perhaps under other circumstances I might have done. I thought it was only part of his general impression as to the greatness of the expenditure.

142. But in point of fact, Sir Seymour Fitzgerald, at a very early period, had warned the Government that the expenditure would very greatly exceed their calculations, had he not?—I do not think that he did that. He was always uneasy about it. He said, "You will not be able to calculate with any certainty what the expenditure will be, and it will be enormous;" but I do not think that he ever warned the Government that the expenditure would exceed their calculations.

143. Could you lay before the Committee any information sent to you by Sir Seymour Fitzgerald, bearing upon that particular point, or any extract from a letter which would enable us to form an opinion as to the views which he entertained with regard to the probable expenditure?—I will look at Sir Seymour Fitzgerald's private letter, and see if there are any passages which I could properly lay before the Committee; but the general tenor and tone of his private letters was that he feared the general expenditure would be very great.

144. Was he not at the head of the Bombay Government, and in constant communication with the officers financially responsible for the expenditure, and was he not, therefore, in a rather better position to judge of the money that would be actually expended, than the Commander in Chief?—I can hardly say; he may have been.

145. The Commander in Chief was responsible for the military operations, but he could hardly be responsible for the cost. The Government would not hold Sir Robert Napier responsible for the cost of the expedition, I presume?—Certainly not.

146. In those circumstances, would not the Government having been warned by Sir Seymour Fitzgerald in this way have done well to have attached very great importance to the representations which he made, even though they were simply hints in private letters?—Undoubtedly; and as I said I did, in consequence of those suggestions, fear that there would be an increase of expenditure; but we had nothing that we could go to Parliament upon for a vote. The most precise thing that I remember in one of Sir Seymour Fitzgerald's letters, was his saying, "I fancy that the expenditure may be 6,000,000 *l.*," but we could not have gone for an additional million upon that.

147. Are you aware that any other officers of the Bombay Government coincided in opinion with Sir Seymour Fitzgerald?—Not that I am aware of. I have no recollection of any officer of the Bombay Government making any such communication. I remember Captain Tryon who was at the head of the transport department telling me that he thought the expenditure would be great and that information certainly had considerable weight with me; but then that was after Parliament had risen.

148. Was it not brought under your notice, that it was a matter of public notoriety, both in official and mercantile circles in Bombay, that the excess of expenditure must greatly exceed that calculated upon by the Government, and supposed by Sir Robert Napier?—I can scarcely say that; I had no commuication from any member of the Government of Bombay, except Sir Seymour Fitzgerald.

149. But on receiving such a serious intimation of his opinion from Sir Seymour Fitzgerald, did you communicate with him and ask if his opinion was borne out by other members of the Council, or was it quietly put aside in favour of the contrary view taken by Sir Robert Napier?—I think the honourable Member a little misunderstands, if I may say so, the importance that I attach to all this communication. Those communications of which we are now speaking were after the expedition had terminated, and when there was nothing more to be done, except to consider whether it was right to lay a supplementary estimate upon the table of the House of Commons or not; and any communications that I may have had as to the impression of persons in Bombay or elsewhere would not have enabled me to prepare an estimate that I could have submitted to the House of Commons. I was aware that we had money enough to carry us on for the present under any circumstances, and I had no reason to suppose that above half-a-million, or at the very outside a million, would be wanted to wind up the whole concern.

150. Might not those letters have justified you in making a statement to Parliament that in the opinion of the Governor and Council of Bombay, or of the Governor alone, the estimate which had formerly been made would be exceeded?—If there had been any particular reason for so doing I suppose they might; but I do not know that there was any particular occasion for so doing.

151. I understand that there was no official document, and no despatch from the Governor of Bombay, with a statement of his views upon this particular point?—No.

152. Was it all contained in private letters?—Yes.

153. Probably it will be satisfactory to the Committee, if you will kindly look over the letters, and see if you can give them any specific statement made by Sir Seymour Fitzgerald upon the subject?—I will look at the letters with that view; but I know that Sir Seymour Fitzgerald was himself quite unable to obtain information

that would enable him to give anything like definite information to me.

154. I quite understand that, but it is the very indefiniteness of the information that I should have imagined would have alarmed the Government, and as it was notorious in Bombay what his sentiments were, I think that any intimation he gave to the Government of his opinion would be very valuable for the information of this Committee, and also the date at which he made that communication?—Yes, I will obtain what information I can upon the subject and lay it before the Committee.

155. Mr. *Howes.*] Are you aware at what date the earliest warning was given to Sir Robert Napier that he was likely to be called upon to organise and command this expedition to Abyssinia?—The date at which Sir Robert Napier's name was communicated was the 13th of August.

156. That was the date of the telegram, but previous to that had he no warning that he was likely to be called upon?—None whatever. He was not in the least aware, nor was any one, that he would be the person called upon. In fact, he was not selected until then.

157. I think you stated that the last despatch which was sent to King Theodore, the one indeed which you waited to have a reply to in August, was sent in May, was it not?—I think it was.

158. Mr. *Christopher Denison.*] Was the force upon which the preliminary estimate of two millions was formed, that which was contained in the telegram from the Governor of Bombay, under date of the 9th of August 1867?—Upon that and such information as we had. I think we had further information as to the force.

159. There was a subsequent and more detailed estimate of the force given at page 205, which was, I believe, the force which eventually was embodied for the service?—Yes.

160. Would the Commander in Chief in Bombay have any knowledge at all of the cost of stores contracted for in this country, which were of very large amount?—He could not tell, of course, what we paid for stores, although he knew what quantities were to be supplied.

161. With reference to a question which was asked regarding the points from which the force from India was drawn, I believe it was the fact that the reason why all the force was not drawn from Bombay was that the Governor General objected to denuding certain particular parts of India of a force?—Yes.

162. In fact, it is given in a letter at page 207, is it not?—Yes, the matter was very fully discussed in India.

163. Sir *James Elphinstone.*] What was the total expense of the expedition from first to last?—I do not know. I know that 8,600,000*l.* has been voted, but I have not the account of what the total expenditure was.

164. The expenditure was calculated up to the end of May at 5,000,000*l.*, was it not, and at 600,000*l.* a month for each month afterwards?—Yes.

165. What time was it before the force was finally broken up?—I think the last detachment left Zoollah on the 18th of June; but to that you must add the time that it occupied to get to Bombay, and to discharge all the stores.

166. And, I suppose, we may safely add three months before the force was finally broken up, and the transports dispersed, and the whole thing put an end to?—I fancy that it was not far short of that before the transports were finally disposed of.

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167. So that the expense of the expedition must have been something like 7,000,000*l.* of money accounted for?—It may have been in that way.

168. Then we have 1,600,000*l.* as the sum beyond those estimates which this Committee has met for the purpose of investigating, is that so?—Yes that would be the balance remaining.

169. It cost you 2,000,000*l.* to carry that force to Annesley Bay, did it not?—I believe so.

170. Was there any reason why it should not cost 2,000,000*l.* to take them back again?—I never reckoned that it would cost as much to take them back as it did to take them there, because the stores would be, to a great extent, consumed in the country, and you would not have the same quantity of stores to take back.

171. Before you got your troops landed at Bombay, Madras, or Bengal, your transports discharged, and your whole business wound up, would it not be likely that it would cost you as much to take them away as it did to take them there?—The 2,000,000*l.* did not represent only the cost of taking the troops there, but the cost of furnishing them, which of course was the material expense, of provision, of ammunition, and stores, and so forth. Of course you had not to buy those things over again, but you had rather to dispose of them. It was not to be expected that you would have to incur anything like the expense in taking the force back that you had to incur in taking it there.

172. But when you came to take into consideration the discharge of so many transports, the period occupied in their finding their way to the points of discharge, the loss on stores, the state of the monsoon, and the position of affairs in Bombay, which made it impracticable to dispose of a portion of those stores, is it not likely that the return voyage would cost quite as much as the outward voyage?—I think the voyage and the discharging cost a very large sum. One point that must be remembered was, that the harbour of Bombay, to which most of those ships were directed, is a very small one, and the vessels could not all unload their stores immediately. Therefore they were kept there for a very considerable time, and heavy demurrage was incurred in consequence.

173. Are you aware that the season when they arrived at Bombay, was the height of the south-west monsoon, when it is very difficult to discharge ships under ordinary circumstances, especially at the full change of the moon?—That, I believe, was the case.

174. And consequently those ships were detained longer in the Government service, were they not, than they would otherwise have been?—Very much longer.

175. Are you surprised at the excess?—I confess that I am.

176. Do you remember the first Burmese war in 1826?—No, I have heard of the war, but I do not remember the particulars.

177. Do you remember the China war, under Lord Palmerston's Government?—Yes.

178. Do you remember the estimates that were made with regard to that?—I cannot give the

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estimates, but I know that they were very largely exceeded.

179. Would you be surprised if you heard that these estimates were something like 3,500,000 *l.*, and that the expense of the expedition came to upwards of 7,000,000 *l.*?—I think it is very probable.

180. Supposing that King Theodore had evacuated Magdala, and got in the rear of our army, and obliged them to fight their way back again to the coast, have you any idea as to how long the campaign might have been protracted under those circumstances?—We considered that question, and from the best information we could obtain, we calculated that if the expedition had not succeeded within a week or two, or a very short period of the time when it did, it would have been necessary for the force to remain in Abyssinia through the summer, and until the following season, at all events as late as November; and that during that time there would have been very great difficulty in supplying them with what would be necessary for their support, and we therefore thought it necessary to send large quantities of stores which, as it turned out, were not required.

181. The state of the monsoon blowing from the westward, in some cases violently, would have prevented ships being sent over from India at that period of the year, would it not?—Yes.

182. Consequently you were obliged to increase the amount of stores that were sent to Abyssinia in view of such a contingency?—Yes, very largely; there were stores in the country to last till November at the time the expedition closed.

183. The most valuable portion of those stores had to be embarked, had they not?—They were embarked.

184. And the less valuable portion had to be left?—Owing to the unfortunate circumstance I have mentioned, of the non-arrival of the officers from the War Office, it was not thought that there was authority to abandon many stores which would otherwise have been abandoned; and therefore a great deal more was sent off from the Red Sea than I think it was desirable to send off.

185. Would it have been cheaper to have abandoned them all?—I think so.

186. With regard to water: until the arrival of the expedition there were no wells whatever upon the plain between Annesley Bay and the mountains, were there?—No.

187. The whole supply of water at the period the mules were landed was obtained from shallow wells containing brackish water, and by condensing, was it?—Yes.

188. The change of food, and especially the brackish water, I suppose, were reasons for the mortality of the animals?—I have no doubt that they were.

189. Could such an expedition have been conducted with any prospect of success without continual private communication between the heads of departments in this country and in India?—I really do not think that there was anything in the private communications that affected the conduct of the expedition. They were interesting for our information, and they were interesting also, no doubt, to the Commander in Chief, as showing that he had the confidence of, and would be supported by the Government, but, in point of fact, he had pretty nearly *carte-blanche*, and all his requisitions were complied with.

190. In fact, they were useful?—Naturally; it was desirable that there should be private communications, and very free expressions of opinion.

191. Do you think that it would have been practicable, under any circumstances, to have given an accurate estimate of the expenses of that war?—I think it would have been quite impossible.

192. Was there ever any parallel case of a war before, which could have led to any conclusions which could have enabled the Government to make such an estimate?—I am not aware of any.

193. Did you ever hear of any war, in India or China, in which the estimates were not largely exceeded?—No; my impression is that the estimates have always been largely exceeded.

194. Have you ever known a war in which the accounts have been so rapidly wound up as the Abyssinian war?—I believe the rapidity with which they have been got forward has been quite unexampled.

195. With respect to those regiments which were sent from Peshawur, does it consist with your knowledge that those were regiments which were under orders to proceed to England?—The European regiments were selected with reference to their position in the roster for returning to England.

196. Colonel *Barttelot.*] Was not the success of the expedition your first consideration and your main object when you sent out any orders to India?—Yes, that was quite our main object.

197. It was on that account, was it not, that you gave to Sir Robert Napier *carte-blanche*, you believing him to be the best man that you could appoint, and therefore thoroughly trusting him?—We thought that he was the best man to appoint; and we thought that undertaking a difficult enterprise at very short notice, the only chance of his succeeding in it was that he should take his own way and his own means in accomplishing it.

198. I think you have stated that there was some slight difference of opinion between Sir Seymour Fitzgerald and Lord Napier with regard to the force that should be sent to Abyssinia?—Yes, no doubt there was a considerable difference of opinion. So far as we were aware of Sir Seymour Fitzgerald's opinion, I believe he thought a very much smaller force would have been sufficient.

199. But Sir Robert Napier, taking all things into consideration, and knowing so little as everybody did of the country of Abyssinia, was in favour of taking the larger force, particularly as he could not tell how long the campaign might last?—Yes; the grounds upon which he stated to the Government that he proceeded were these; that he estimated the distance he had to go; that he reckoned then the necessity of maintaining a line of communication with his base the whole time; that he anticipated the possibility of having to forward supplies from his base to the head of the expedition; and that he thought it absolutely necessary that the whole line of communication should be thoroughly well guarded; and reckoning a certain number of troops as necessary for guarding the different points, he estimated that with such a number as he proposed, he should have so many men ready to put into the field in the

face

face of the enemy. That was the nature of the calculation that he presented to us, and upon that calculation we were satisfied with the magnitude of the force proposed.

200. Looking back at what has happened, and the result of that campaign, have you any reason to regret the course which you pursued?—None whatever. I think that had we sent a smaller expedition, although there might by chance have been an early success, the probability is that we should have spent a second year in the country, and have undertaken a much larger expenditure than was actually incurred.

201. As I understand you, it was absolutely necessary that you should take into account the probability of the campaign lasting over a year, and therefore the quantity of stores was much larger than, as it turned out, was necessary?—Yes, because matters were running very close when we got to the month of April.

202. And stores and transport are the two main items which swell the account, and make up the large excess, are they not?—Yes.

203. With regard to the regiments that came from the other presidencies, do you not think that there might be some political reasons why it was desirable that the armies of the three presidencies should have their share of foreign military service?— Certainly.

204. Might not that have been one reason why the Governor General was anxious that all the troops from all the different presidencies should be employed?—That was probably the case.

205. Major *Anson.*] Did you receive reports every month from the Treasury officers sent out to Bombay, as to the expense that was being incurred?—We never received any reports from them at the India Office. I believe the Treasury received reports, but that is not within my knowledge.

206. *Chairman.*] Did the Treasury forward those reports to the India Office?—No.

207. Major *Anson.*] You never received any reports of the expenditure that was going on up to April, when you made a statement in the House of Commons, on the 23rd of April, in the debate upon the Budget?—We were receiving reports continually upon different points, such as the quality of the transport that was employed, and so forth; but those reports were not in a very formal shape, and they were sometimes rather difficult to reconcile one with the other.

208. Who was the person who reported to the Government at home as to the expenditure upon transport?—The Government of Bombay.

209. Who was the person who actually wrote the reports and forwarded the statements?—The Governor was the person who authenticated them to us, but I do not know in what way they were prepared.

210. Were those monthly reports which were sent to the Treasury at home, giving a list of all the transports which were taken up, and were being paid for during that month?—I think that there were monthly reports, but I cannot say positively how often the reports came.

211. I find that in a speech made on the 23rd of April on the financial statement, you said that the Government had reckoned the cost of transport at 400,000 *l.* a month, but that it never was believed that the cost of transport would be permanent at that rate; and that it happened that the vessels which had been taken up were now, to a large extent, discharged?—So I understood that they were.

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212. Did the information which you received subsequently bear that out?—I am not sure whether they were discharged or not; my impression is, that they had been. We had ordered that a great many should be discharged. That is a point upon which I think I must refer to a private letter, which I see no reason for not putting in, which I received from Sir Robert Napier on the 20th of April, just three days before I made that statement. I may say that the letter refers to other matters. This was dated from Lake Ashangi on the 19th of March: "I have long ago warned the Commissariat Department, that is Colonel Holland, the Comptroller, and Colonel Lucas, the Deputy Commissary General, to be prepared for the rainy season, and have been assured that they have indented for everything they require. I have desired them to look to Egypt for everything they require, that can be had there in preference to Bombay, and we have a regular set of steamers for the purpose. I think the indents you mention for forage must be for compressed forage which is required, because it combines both corn and hay, and is more portable than ordinary pressed hay, and also cannot be purchased in Egypt. We have been prepared for the monsoon, and the comptroller has been warned to expect nothing from Bombay but what can come in principal steamers. I think he has indented more on Bombay than he need have done. I will at once refer again to the subject, and impress on him your views, in which I quite concur. I believe I shall find that my instructions have been carried out. I have been in correspondence with Captain Tryon about the discharge of all transports that we can get rid of." (It was upon that expression that I suppose that I founded my statement.) "Up to a recent period no sailing ship could get out of the Red Sea, and many efforts at towing out ships failed. Under those circumstances we could not honestly discharge them to lie in Annesley Bay. Besides, their engagements were, I believe, not expired. I, however, knew nothing of the terms. Commodore Heath and Captain Tryon are quite alive to the necessity of getting rid of every ship that we can spare." I think that must have been the information upon which I spoke.

213. The general tenor of your remarks went to show, did it not, that you were convinced that 400,000 *l.* was the very outside estimate for the cost of transport per month?—I thought so, and my impression is that it was quite over the mark, and that it has been justified by the result.

214. Are you aware of that 400,000 *l.* a month ever having been exceeded?—I dare say it may have been exceeded in a particular month, but, taking the statement on the average, my impression is that you will find that the amount turned out for transport was not much more, if at all more, than 400,000 *l.* a month.

215. The excess of expenditure over the original estimate, is greater in the item of transport than in any other item in the expedition, is it not?—Yes; because there are more months to be taken into account.

216. How many more months do you put down; I suppose every transport was discharged before August?—I am not at all sure that they

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were, but about that I have no positive information.

217. Are you aware of the date when the last transport was discharged?—No.

218. Did you ever receive any reports from the financial officers of the Treasury at Bombay, with regard to stores purchased from the Bombay Government?—I have no recollection of any such reports. We did not receive at the India Office the reports of the financial officer; they went to the Treasury. No doubt the Treasury communicated with our financial officers upon the subject, but I have no recollection of having seen any of his reports.

219. Do you know who the officer of the Treasury is whom we had better call for that purpose? — I believe Mr. Turner (who is in England) and Mr. Forster would be the proper officers of the Treasury to call.

220. *Chairman.*] Was it not a failure in the procedure that you were not fully informed of the reports which were received by the Treasury, from time to time?—I did not understand that we had anything to do with those reports. The officer sent out from the Treasury was sent out that he might watch the expenditure on behalf of the Imperial Government, with a view to an ultimate settlement between the two departments. The expenditure was incurred by the authority of the Indian Government, or of the Bombay Government, or of the Indian Office at home; but it was to be repaid by the Imperial Treasury. Of course it would be necessary for the Indian Governments to submit an account to the Imperial Treasury, and that account would have to be examined and approved. In order to save time, and to obviate long discussions afterwards as to what sums should be passed, it was decided to send out Mr. Turner to watch the expenditure at Bombay on behalf of the Imperial Government, so that when the settlement took place there should be little loss of time in adjusting the accounts. But he was not our officer in any way; nor did we consider that he had any authority in the matter.

221. Major *Anson.*] Still there was no expenditure incurred at Bombay without Mr. Turner being communicated with and being informed of it?—So I understand. If any expenditure was incurred at Bombay without his being aware of it, the Treasury would, no doubt, challenge those items when they came to be presented to them; but I presume that he was made acquainted with all the expenditure.

222. *Chairman.*] Was it his duty to control the general expenditure, or merely to adjust the accounts as between the Indian and Home Government?—He had nothing at all to do with controlling the expenditure; he had simply to watch the expenditure. You will find in the Blue Book that it was distinctly understood that he would have no authority at all to allow or to disallow, but that he would have full information upon everything, so that he would ultimately assist in the adjustment of the accounts.

223. Major *Anson.*] What I do not understand is this: how, having a financial officer out at Bombay, who was receiving all the accounts of the expenditure that was actually being incurred, it was that the Government at home was not informed by him of the expenditure being so much larger than they actually imagined it was?—Upon that point I think you could only examine Mr. Turner, and ascertain from him how it was that he had not received sufficient information, or did not furnish sufficient information upon those points. Mr. Turner is in this country, and he will be able to answer that question to the Committee.

224. Did you not take into consideration the expenditure that was incurred in the Chinese war as a guide for the expenditure in the Abyssinian war?—No; we took no particular war as a model, or as a guide. We had no doubt before us a note of what the expenditure was; but it was really not of very much use to us in forming our own estimate. The circumstances of this expedition were very peculiar, because the expedition was carried on at a considerable distance by means of communications between England on the one side, and India on the other. The difference between this war and almost every other war, consisted in the double base, you may say, of the operations.

225. Still, in the case of the Chinese war of 1860, the same circumstances applied; there was a double base of operations in that case; have you any idea whether the cost of transports for carrying on the Abyssinian campaign was based upon the rate of the cost of transports during the Chinese war?—No, I do not think that that was taken into account. I think that in the Chinese war of 1860, if I remember right, the Indian navy was brought into play. We had no navy on the present occasion.

226. I understood you to say that you consider yourself as chiefly responsible for the general expenditure of the war; but when questions were discussed as to whether the transports should be taken up in India or in England, did you settle that point yourself, or was it settled between the Admiralty and the War Office and yourself?—With regard to the transports, the matter was settled in this way; we had told the Government in India that they might indent upon us for whatever they required; they did not in the first instance speak of transports, but the attention of the Admiralty here was directed to the subject, and a communication was made to me from the Admiralty that it was desirable at once to consider whether we ought not to send out transports from this country. The Admiralty had a calculation very carefully made of the quantity of transports that would be required to convey the force and all its belongings from India to Abyssinia. They also had information as to the quantity of tonnage that was available on the Indian side, and they came to the conclusion that a certain amount of transport must be sent out at once from this country, in order to enable the force and the supplies to be sent from Bombay to Abyssinia. Accordingly, with the consent of the India Office, a certain number of transports were ordered to be taken up in this country and sent out to Bombay, there to be employed for the service of the expedition. We advertised the Governments of India and of Bombay that we were going to do so. We found afterwards that it was extremely valuable to them, for that they were not aware of the smallness of the tonnage that they could command, and those transports just arrived in time to be of great use to them.

227. *Chairman.*] Have you the estimate to which you have referred of the tonnage needed to convey the troops and stores from India to the shores of Abyssinia?—Yes, it was sent us on the 23rd of August. A memorandum was prepared by the Director of Transport Services, Admiral

Admiral Mends, which will be found at page 48 in the Blue Book, calculating the amount of tonnage that would be required to convey the expedition, and it was enclosed in a letter from the Admiralty, in which these expressions occur: "If the expedition is to comprise the force of 12,000 men, combatants, the tonnage required for their conveyance, and that of the horses and mules, &c., will not be far short of 132,000 tons in all; and of this amount there is reason to suppose that not above 15,000 tons of steam transport will be procurable at Bombay." That was the information with which the Admiralty supplied us.

228. Mr. *Baxter.*] The transport arrangements, on the other side, were made by the Government of Bombay, were they not?—They were made partly by the Government of Bombay and partly by the Government of India. The Government of Bombay relied upon the Government of India to furnish transports for such portion of the force as should be sent from there. I may say, with regard to a question put to me by an honourable Member just now as to the distance from Calcutta being greater, and the expense being greater, that it was to be taken into consideration; that you would find transport more easily at Calcutta, and that was a reason, in part, for directing the troops to come that way.

229. Sir *Patrick O'Brien.*] You stated that there was a difference of opinion existing between Sir Seymour Fitzgerald and General Napier in reference to what ought to be the extent of this expedition; that being so, was there any consultation of general officers, or was the opinion of other persons required in reference to the point of difference between Sir Seymour Fitzgerald and Lord Napier, before undertaking the larger expedition?—Yes; the foundation of the calculations was a memorandum of Sir William Coghlan's, which proposed, I think, about 10,000 men; that received the approbation of Sir William Mansfield and Sir Henry Durand, who sent in detail the amount of force they would suggest, which came to very nearly 10,000. The Duke of Cambridge was consulted upon the subject, and the military authorities at the India Office were also consulted, and the opinion of all those authorities was in favour of a force of about 10,000 men, as opposed to a force of, I think, about 6,000 men, which was contemplated by Colonel Merewether and supported by Sir Seymour Fitzgerald. We had these two authorities on the one side against the authorities of Sir William Mansfield and Sir Henry Durand and the Duke of Cambridge and the military authorities at the India Office; and, above all, of Sir Robert Napier himself.

230. Mr. *White.*] There is an apparent discrepancy between the reply to my inquiry and the answer to a question (No. 197) put by the gallant Colonel, the Member for East Sussex, when you said that you had given *carte blanche* to Sir Robert Napier. In reply to my question you said you had given *carte blanche* to Sir Seymour Fitzgerald. I think it is important to the Committee to know, especially as we hear of differences of opinion between the Governor of Bombay and the Commander in Chief of the expedition, with whom the responsibility rested, and to whom, in fact, the *carte blanche* was given?—It is rather a difficult question, it is quite true, to answer. The *carte blanche* "we will comply with your requisitions," and those other expressions were sent to the Governor of Bombay with the impression that, in point of fact, the Governor of Bombay and Sir Robert Napier would act in entire conformity and agreement, and that we were really placing the matter in the hands of Sir Robert Napier; at the same time impressing upon Sir Seymour Fitzgerald to keep down the expenditure as much as possible. What we understood would be the relations between them were that Sir Robert Napier was to make the demands which he thought necessary; that the Government of Bombay were to criticise and keep them down as far as it was in their power to do so, but if they were satisfied that this was Sir Robert Napier's demand, and that he insisted upon it, we assumed that they would agree with him, and we were prepared to support it. I would draw attention for instance to the expressions in the letter (and a very important letter it is) at page 241, dated the 30th of September, addressed by myself to the Governor of Bombay. "The strength of the force which it is proposed to send is, you state, under discussion with the Commander in Chief. You will no doubt apprise me as soon as you have determined whether the propositions of his Excellency should be adopted. I am prepared to sanction the dispatch of such a force as you may decide upon, after careful consideration in communication with Sir Robert Napier; and I have only now to observe, that I concur generally in the view of your Government that the force of Europeans, and especially of European cavalry, should be as small as is consistent with prudence. In considering this point, much weight is due to the opinion of the distinguished and experienced officer who has been selected for the command." I think that illustrates the sort of relations in which we understood ourselves to stand with the Government of Bombay, it being always borne in mind that Sir Robert Napier himself was a member of the Government of Bombay.

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231. But still the chief responsibility must rest with some one; of course we know that the ultimate responsibility rests upon you as the head of the Indian Office. If it were vested in the Bombay Government, that is to say the Governor in Council, or if it were vested in the Commander in Chief, we know what that means; but I think that the Committee would like to know to whom you delegated or gave that authority; to whom, indeed, you gave the *carte blanche*?—It certainly was given to the Governor in Council, and the Governor in Council might have refused, and in fact I believe did refuse, certain things which Sir Robert Napier required, and he had full authority to refuse them.

232. Sir *John Hay.*] As a matter of fact, I do not think that we find in the Blue Book the expression "*carte blanche*" used as being given to any person in particular?—Certainly not; I am only anxious to give what was really in substance the nature of our relations.

233. Sir *James Elphinstone.*] In fact you placed the greatest confidence in the authorities there, and left the matter as much in their hands as possible?—Yes.

234. Captain *Beaumont.*] You recognise, I believe, that the cost of the expedition is very greatly in excess of the first estimate?—Yes.

235. Do you consider that this excess has been occasioned entirely by altered circumstances, or may it very considerably be attributed to a want of organisation or of any harmonious working of the various departments?—As far as I am aware,

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very little indeed is owing to want of harmonious working or want of organisation. It is mainly due to the fact that the estimate was prepared under very great ignorance of the state of the country. We did not know whether there would be forage to be got there. We were at first under the impression that when once the first strip of 30 miles was passed there would be abundance of grass and water, and everything that was required, and that we should find it a country abounding in provisions. It turned out that it was nothing of the sort, and that everything had to be sent up, so that in many respects our information turned out to be extremely imperfect.

236. And therefore if a similar expedition were to be undertaken again under the same circumstances, the expenditure, if I understand you rightly, would remain the same, but the only difference would be that, in that case, the estimate would be a perfect one, or practically a perfect one instead of an imperfect one?—Of course you would have learnt something by experience, which might help you to economise, but it would be much more nearly what the honourable Member says, namely, that the expenditure would still be very large, and the estimate would be very much increased. If we were now with our present knowledge about to engage in the expedition, we should certainly put the estimate higher.

237. *Chairman.*] The honourable and gallant Baronet has asked you respecting the stock of stores carried into Abyssinia; and you replied, that you provided stores to maintain the expedition until November; was not that an element of cost always before the Government as a contingency; and did not they provide for it in the second estimate of 5,000,000*l.*?—I must remind the honourable Chairman of what the nature of that estimate was. That estimate of 5,000,000*l.* never professed to be a complete and perfect estimate of what the whole expenditure on the Abyssinian Expedition would be, because we were in great uncertainty as to what its termination might be.

238. In the House of Commons, on the 23rd of April, you said, "I believe we may say that the estimate which has been taken is a very safe estimate, and supposing, what we all hope, that the expedition has terminated successfully in the early days of the present month, there is reason to believe, with some confidence, that the sum which has been taken will be found amply sufficient to cover the whole cost of the expedition"?—Certainly, because we were under the impression, with regard to those stores which had been provided to last till November, that they would be available; and that, in point of fact, they would be saleable, and that we should recover a large sum by the sale of them; but it proved that they were not saleable.

239. What were your calculations as to what they would realise?—I am afraid that we reckoned very sanguinely, and that the greater part of them would really fetch pretty nearly their full value, with regard especially to military stores.

240. Do you remember the cost of the stores which were left there?—I cannot answer that question.

241. Would it be a quarter of a million?—I think half a million was put as one estimate, and that we took half a million as the probable amount.

242. In any case it was a very small proportion of the three and a-half millions of excess, was it not?—No doubt.

243. With regard to the prolonged employment of transports to convey back the expedition, that, too, would be an item, at all events, in the second estimate, would it not?—With regard to those transports, we were in great difficulty, because, as I think you will see noticed in one of our letters, the information from Bombay was not very clear, and we were quite unable to tell up to what time those transports were taken up, and whether the estimates which were sent to us would or would not include their return.

244. In point of fact, we learn from you that you are surprised and disappointed at the large excess of the estimate?—Certainly.

245. What knowledge has come to you on which you have to complain of executive mismanagement: was it in the matter of the mule contract?—I did not complain of any executive mismanagement. I am far from saying that there may not have been mistakes made, and undoubtedly there were mistakes made, but I did not complain of anything particularly, considering the difficulties of the campaign. When I said that I was surprised and disappointed, I meant that I had expected that it would turn out better.

246. Do you see in any department any mismanagement of which you can complain?—I think it is very much to be regretted that there was not a sufficient force ready to receive the mules when they landed in the beginning. A great loss was incurred from that.

247. Do you consider that there was mismanagement in the matter of transports?—I am not aware of any.

248. Do you know who was blameable for the mismanagement in the matter of the mules?—I do not think I can answer the question very well.

249. The purchase of mules is in the hands of a department, and you complain that there was not a sufficient force to receive them on their being landed at Annesley Bay; whose duty was it to have done that?—That, of course, was the duty of the Commander in Chief of the expedition to arrange, at least I presume so. Whether he, or whether anyone else was to blame, I am unable to say; but in point of fact, notice had been sent from this country to the Bombay authorities, that the mules might be expected to arrive at Suez at a certain time, and when they reached Annesley Bay the provision for their accommodation was not sufficient, and no doubt great loss took place among the mules partly in consequence of that.

250. Do you think that there was any mismanagement in the coal contract?—I do not know. I have no reason particularly to think that there was; but that is a matter upon which the Admiralty will speak better than I can.

251. You do not estimate the loss sustained, do you, in consequence of the failure to provide for the reception of the mules?—I do not suppose that the loss was very serious in comparison with the larger figures in which we are dealing, but it was important.

252. I believe there was no misadventure during the whole campaign to throw out the calculation?—I am not prepared to say that. The time of departure from Bombay, I think, was later than we had expected, and what I have alluded to with regard to mules, I think may have,

have, to some extent, delayed the advance up the country.

253. Major *Anson.*] Have you any idea of what the actual loss of the mules was, in consequence of mismanagement?—I should not like to say.

254. Sir *Patrick O'Brien.*] Should I be wrong in saying that the whole tenor of the correspondence of Sir Seymour Fitzgerald with the Home Government was to lead the Home Government to learn his opinion that the expense would be infinitely greater than they had stated, or than they seemed to be of opinion that it would be; and as far as Sir Seymour Fitzgerald was concerned, did he not always caution the Home Government that the expense was much larger than in this country it was supposed that it would be?—No; I do not think that that was the tenor of his letters. He certainly said that he thought that we were hardly prepared for the great expenditure and the great cost of such a force; and throughout, he always spoke of it as very costly; but I do not think that he challenged our estimates. He once or twice expressed a sort of hope that they would not be exceeded, but I do not think that he in any way warned us that they would be exceeded.

255. *Chairman.*] Is there any general statement which you would wish to make in addition to your evidence?—I think not.

256. Sir *John Hay.*] I do not know whether the impression left upon the mind of the Committee is the same as that which would be left upon my mind, if an answer of yours was not explained with reference to certain differences of opinion previous to the starting of the expedition from Bombay, between the Government of Bombay and the Commander in Chief of the expedition; would it not be right rather to state that the opinion of the Governor of Bombay was, that a smaller expedition, such an expedition as had been proposed by Colonel Merewether, would be sufficient for the purpose; but that, after it had been arranged that the opinion of the Commander in Chief was to prevail with regard to numbers, from that time forward there was an agreement of opinion between the Governor and the General?—I do not know what you mean by agreement of opinion. I believe that Sir Seymour Fitzgerald retained his opinion for a very long time, if not to the end, that a smaller force would have been sufficient; but that, of course, did not influence him in not making full preparations. He was in full co-operation with the Commander in Chief upon the larger basis.

257. I was afraid that an impression might be made that, owing to a difference of opinion, the public service had suffered, but it was not so?—I do not think that it was so at all.

258. Major *Anson.*] Who was the person who made such a sanguine estimate of the value of the stores?—Sir Seymour Fitzgerald himself put them at half a million in one of his letters to me, and in another letter he afterwards said, "I am afraid that they will not come to as much as I told you in a former letter."

259. *Chairman.*] They were, in point of fact, largely abandoned, were they not?—Yes.

260. Was a quantity of hay abandoned?—A great quantity of hay was, I believe, thrown into the sea.

261. Mr. *White.*] You stated that the magnitude of this expenditure was due to ignorance in the departments as to Abyssinia, but I believe you had laid before Parliament a book containing all the different routes to Magdala, and the information furnished by consuls, missionaries, and others who had been resident in that country; and my impression from reading that Blue Book is this, that so far from the expenditure having been increased from the ignorance which is alleged to have existed of that country, the results of the expedition show that the difficulties were magnified, and that the hostility of many tribes did not exist; and altogether the circumstances turned out far more favourable than we could have had any reasonable right to expect; was not that so?—I am afraid that in answer to the Honourable Member I should have to make a rather long speech, and I do not know whether that is desirable.

262. *Chairman.*] Speaking of your want of information as to the resources and difficulties of the country, you spoke of the time when you made your first estimate; but when the second estimate was made, if I mistake not, you would be pretty well informed as to those resources and difficulties?—We were much better informed undoubtedly.

263. Mr. *White.*] Reference was made, by the honourable Member for Portsmouth, to the expenditure of wars having exceeded the estimates; but seeing that in this war wherever the money was dispersed, we were brought into means of communication by the electric telegraph; did not that circumstance itself enable you to have greater control of the expenditure which was going on, or at least a knowledge of how the money was being spent?—The electric telegraph was not laid down to Abyssinia, but the communication by telegraph, between England and Bombay, undoubtedly did facilitate and render possible what otherwise would have been impossible, an expedition organised on such a scale at such very short notice.

264. In the different points where money was being spent, whether it was at Constantinople or in Spain, or in any other part of Europe or India, wherever money was being disbursed, we had communication by the electric telegraph, had we not?—Undoubtedly; and the accounts have therefore been prepared and forwarded with much greater rapidity than has been usual in former wars.

265. But if such facilities had been made use of, to have obtained even a rough estimate, if I may say so, of the total expenditure, might not those facilities have been employed so as not to have left Parliament in the dark so long as it was?—I have no doubt that if the energies of our officers had been more entirely concentrated upon obtaining estimates, they might have been obtained; but it must be always borne in mind that this was a very heavy piece of work which was undertaken by establishments hastily called upon to undertake it. They were not much increased for the purpose, and they were very much overworked. Their principal object was to do that work; and not so much attention was paid to the preparation of the accounts as to doing the work. There is no doubt that the officers at Bombay were very heavily overburdened at the time; and I may say, with regard to the India Office, that I myself am not able to answer these questions quite so fully, because this

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this was all in addition to the ordinary heavy duties of the office.

266. Still from the anxiety which has been evinced by the House to have information, are you now satisfied that if pains had been taken better information might have been given to Parliament?—I think that better information might have been given, and I am sorry that it was not given, but we gave the best we could get.

267. The feeling in the House below the gangway throughout was, was it not, that the then Government did not take the House of Commons into their confidence in this matter?—I am very sorry that that should have been the feeling; it was not at all a just feeling, because the Government told the House of Commons as fairly as they could all that they themselves knew, or as nearly as possible all that they knew, without going minutely into details which would have wearied the House.

268. Mr. *Charles Turner.*] I suppose that you gave the House of Commons all the information, and the best information which you could?—We gave them the best information which we could, and I am very sorry that it was not more.

269. Sir *James Elphinstone.*] There was no information which you gave to the House of Commons which was not characterised as a mere approximation to the truth?—No; I could remind the Honourable Member that on the very day that the Budget speech was made, we were asked by the other Honourable Member for Brighton whether we could present an account which could be relied upon, and that I distinctly stated that the information which we had was not so accurate or so fully as we could wish, and that the estimate would be an approximate estimate only.

270. Did not all the Members of the Government, who spoke upon the subject, guard themselves in that way, in their statements?—I think so.

Friday, 9th July 1869.

MEMBERS PRESENT:

Major Anson.	Sir John Hay.
Mr. Baxter.	Mr. Holms.
Captain Beaumont.	Mr. Mundella.
Mr. Candlish.	Sir Stafford Northcote.
Mr. Christopher Denison.	Sir Patrick O'Brien.
Mr. Grant Duff.	Mr. Seely.
Mr. Eastwick.	Mr. Charles Turner.
Sir James Elphinstone.	Mr. White.

JOHN CANDLISH, Esq., in the Chair.

Major General G. I. Jameson, Major General Thomas Townsend Pears, Mr. Thomas Lawrence Seccombe, called in; and Examined.

Major-Gen. *G. I. Jameson*, Major-Gen. *T. T. Pears*, and Mr. *T. L. Seccombe*.

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271. *Chairman* (to General *Jameson*).] What is your official rank and position?—I am Auditor of the Home Accounts of India.

272. (To General *Pears*.) What is your official rank?—I am the Secretary in the Military Department of the India Office.

273. (To Mr. *Seccombe*.) What office do you hold?—I am Financial Secretary in the India Office.

274. (To General *Jameson*.) You made or superintended an estimate of the cost of the Abyssinian Expedition in 1867, did you not?—I did; in the end of 1867, and also in March 1868.

275. When were you first consulted on the matter?—The first time was about the end of 1867. Sir Stafford Northcote was very anxious to ascertain the probable cost of the expedition until the end of the year.

276. Can you remember, more particularly, when that was?—I do not recollect the exact date, but it was some time about the end of the year when I was consulted by Sir Stafford Northcote.

277. What directions did you get from Sir Stafford Northcote?—Sir Stafford Northcote said that he was most anxious to ascertain what the expense would be to the end of the year; that he had received almost no accounts; and that it was very difficult indeed to arrive at any sort of a conclusion as to what the amount would be, and he thought that, as I had been often employed in estimating for expeditions in India, and indeed in estimating military charges for about 20 years, I might be able to give him some approximate idea of what the expense would be.

278. Was your communication from Sir Stafford Northcote in writing?—No; he sent for me to his room, and made that communication.

279. Had you any requisitions in writing?—None whatever.

280. In accordance with Sir Stafford Northcote's application, you proceeded upon your task?—Entirely so; I may say that it was in no way whatever connected with my duties in the office; it was quite an extraneous matter, in which I was glad to give any assistance in my power. I may observe that the estimate signed as it is, might give reason to suppose that I was in posssession of the accounts and returns, and other information, but that was not the case. The whole has been quite outside of the India Office. The accounts have been sent to the Treasury, and with the exception of a very small account of store supplied by the Director General I had no control whatever over, or knowledge of, the accounts.

281. To what estimate are you referring?—To both.

282. The first estimate which you submitted was towards the close of 1867, was it not?—Yes.

283. Have you that estimate?—I think it will be found printed in the first estimate. We added to all the different amounts as much as we could ascertain from the former, but a great deal of this is repeated in the second estimate.

284. Do you enter into details in the estimate which you first submitted?—The only way in which I could arrive at any sort of idea of what the expenses would be, was by taking the strength of the force, and estimating what the expenses of war rations and feeding the animals would be, and getting from the War Office and the Admiralty through the financial secretary whatever sums they had expended; and putting them all together, we arrived at the sum of 5,000,000 *l.* on the 13th of March.

285. Would you wish to put in that estimate?—I think it would be well to do so. (*The same was delivered in*, vide *Appendix*.)

286. That was the second estimate you made; what is the date of the first estimate?—The 11th of October 1867. In this estimate I took the number of camels, bullocks, and mules which were usually allowed to regiments marching in the field, but they were much below the number employed in Abyssinia, and considering the strength of the marching force, the pack animals were greater in number than was ever known in any expedition.

287. Whom did you consult in the War Department?—I did not consult anybody in the War Department. Mr. Seccombe procured from the

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the War Department and also from the Admiralty, information as to expenditure that we might include in the estimate.

288. Did you consult anyone at the Admiralty?—No.

289. Did you consult anyone on any part of your estimate?—No; I merely acted upon what my own ideas were, ascertaining the War Office and Admiralty expenditure from Mr. Seccombe. I had been tolerably successful on former occasions in estimating, and I hoped that I might come near the truth; and I hope still that it will be found that it was not so very far from the truth as may now be supposed.

290. Have you further details of the estimates which you made than those which you hold in your hand?—I have none.

291. Was it a compilation of many items?—No; I merely got from General Pears the strength, and it was compiled in much the same way as the second estimate of the 13th of March.

292. You had a rule by which you inferred certain outlay in certain deparments upon the supposed strength of the expedition?—Certainly; the estimate of the 13th of March speaks for itself, and shows the detail in every particular as far as my part of the estimate is concerned.

293. Did you consult any heads of departments in your submission of that estimate?—I was in communication with General Pears and Mr. Seccombe in the office, and we all came to the conclusion that it was as approximate and reasonable an estimate as we could arrive at, but at the same time with such imperfect data that it could not be accepted as at all final; indeed we had no materials for estimating in the strict sense of the word.

294. What tonnage of transport did you estimate as necessary?—That is a detail which I suppose General Pears will be able to furnish as to the number of steamers and sailing vessels which came from Bombay, and the rate at which they were engaged per ton, and in addition to that there was in the "Times of India" a statement of the same nature.

295. Have you that statement in the "Times of India" to which you refer?—I have not; I gave it back to the Military Department.

296. (To General *Pears*.) Have you the statement which came from India of their requisitions for tonnage?—We did not receive from India any requisitions for tonnage. We received information from time to time, as to what they had taken up there.

297. Did you not receive from India any statement of the tonnage which they would require?—I think I could find an estimate sent by them in a very early period of the expedition, as to what tonnage would be considered necessary; but to the best of my recollection it was far below what was ultimately taken up.

298. Have you the "Times of India," to which General Jameson refers?—No, I do not remember it, but I have no doubt that we could find it. (Major General *Jameson*.) This estimate which I have put in, "assuming the estimate of the Admiralty, ships, coals, and provisions to be correct," is 650,000 *l.*

299. That is the later estimate, is it not?—That is the earlier estimate.

300. What were you quoting just now?—The first estimate, "assuming the estimate of the Admiralty for ships, coals, and provisions to be correct, the estimate of October for 650,000 *l.*" Afterwards the matter was entirely out of the hands of the Admiralty, so far as that the Indian Government were taking up transports at Calcutta, Madras, Suez, and Bombay, and the Admiralty estimate could have been of no real use the second time.

301. Your second estimate was made in March 1868, was it not?—On the 12th of March 1868.

302. At this date, you had further information from which you inferred your first estimate to be inadequate, and you extended it on the 12th of March, was that so?—Precisely so.

303. Was your first estimate of 2,000,000 *l.* up to the end of 1867 verified by the ultimate fact?—It is quite impossible to say. I have never seen a single account connected with the expedition up to this date, with the exception of stores furnished from the India Office. I should think that it would not be verified by the expenditure, but that the expenditure was much larger than we could possibly have imagined even up to that date.

304. In what respects had that expenditure been exceeded?—We had no means of knowing. There was only one account on the 13th of March in the office, or scarcely any better information than we had before.

305. Do I rightly understand you that you had not seen the accounts as they had come home?—Never; they had been sent to the Treasury direct.

306. Then you know nothing of the ultimate outlay?—We knew by looking at the facts of the case that there must have been an enormous outlay, which never could have been contemplated.

307. Have you had no means of comparing your estimate with the ultimate expenditure?—Certainly not; the whole of the accounts are now in the Treasury, and never have been referred to the India Office at all, except as a means of transmission.

308. Then, in point of fact, you cannot tell the Committee in what items your estimate has been exceeded nor the amount of the excess?—I think I can very well account for how it has been exceeded without looking to the accounts; as to any accurate comparison or analysis of the accounts, they have never been submitted to me in any shape whatever.

309. I presume that you could, if those accounts were placed in your hands, analyse and classify, and show exactly the items of excess, and the departments in which the excess had originated, and what that amount of excess was?—I daresay I might, but I do not know even what the nature of the accounts is, and that could be just as well done in the Treasury; they have the estimate, and they could compare the whole of it just as well as I could.

310. But you do not anticipate that there would be any difficulty in that, do you?—I really cannot say, because I have never seen the accounts; but I should think not if they are at all reasonable accounts.

311. On the 12th of March you estimated the monthly cost to be 589,250 *l.*, did you not?—In round numbers, 600,000 *l.*

312. That was exclusive of the pay of the troops, was it not?—It was exclusive of the pay of the troops, which was to be borne by India.

313. The ultimate charge for the pay of troops was, I think, against the Indian Government, was

was it not?—It was against the Indian Government entirely.

314. You estimated the transport service at 400,000 *l.* per month, did you not?—Yes.

315. Have you the details of that estimate?—As I stated before, I got a return from the Military Department, and that return in the "Bombay Times," which appeared a tolerably accurate one, and on that we put all the tonnage.

316. Do I correctly understand you to say that you made your estimate of the cost of transport from statements in the public newspapers?—No; I got a return from the Military Department, and that return in the "Bombay Times," which gave the rate of tonnage of each transport.

317. Was the publication in the "Bombay Times" an official document?—It was not official, but it certainly had been obtained from official sources.

318. Had you a communication from the Admiralty?—No; Mr. Seccombe ascertained from the Admiralty, as before stated, the sums which they estimated would be expended. You will find that in the estimate of October 1867, there is "Ships (Admiralty), coals, provisions, 650,000 *l.*, and mules," &c. "200,000 *l.*" That was furnished through Mr. Seccombe to me. Then the India Store charges, including shipping were, 250,000 *l.*; the purchase of pack animals, 450,000 *l.* Transport 60,000 tons to the end of December (that was procured also from the Admiralty). Sundries, commissariat forage, and all extra charges to embarcation. That was the roughest possible estimate.

319. Admitting what you say to have a great deal of force in it, namely, that when you made your first estimate you were very defective in the information upon which you based it, and passing on to a later date, when those defects would be largely rectified, and you would have fuller and more accurate data on which to make your estimate, that is the estimate of March 1868, how did you increase the estimate from 3,500,000 *l.* to 5,351,000 *l.*?—It was 3,000,000 *l.* from the 31st of January to the 31st of May; I may say that the information and data procurable were still very defective.

320. Was not the first estimate that 3,500,000 *l.* would be the cost of the expedition, assuming it to have accomplished its object in the spring of 1868?—Yes.

321. Subsequently in March 1868, did you not raise that estimate to 5,000,000 *l.*—Yes, up to the 31st of May.

322. The first estimate was for the completion of the expedition, was it not?—It was never anticipated for a moment that the expedition would be completed by that time.

323. Did you ever assume the objects of the expedition to be accomplished in the month of April?—No; we never thought that it would be completed then. In the first instance, it was supposed that the force landed in Abyssinia might have brought King Theodore to reason, and that there might have been an end of the expenditure.

324. But we had an estimate on the assumption that we did not bring him to reason until we got to Magdala, and that we should have to proceed and liberate the prisoners by force. The total estimate was 3,500,000 *l.*, and that estimate was submitted to the House of Commons; did you prepare that estimate?—The only estimate with which I had anything to do was one of 2,000,000 *l.*, in the first instance, which was afterwards increased to 3,500,000 *l.*, and then one amounting to 5,000,000 *l.*

325. It was estimated that if the expedition lasted as was anticipated, until the end of April, the expenditure would amount to 3,500,000 *l.*, was that your estimate?—I discarded that estimate; the 2,000,000 *l.* estimate was increased to 3,500,000 *l.*, and then the estimate of 5,000,000 *l.* up to the 31st May.

326. Let me again recall the facts. We had a statement that it would cost 2,000,000 *l.* to place the expeditionary force, fully equipped, upon the soil of Abyssinia, and that that might be accomplished by the end of December. The contingency was, that that would be the total charge in the event of that display of force bringing the Emperor, as you say, to reason. If it did not, and we had to advance upon Magdala, and take the prisoners by force, it would cost 3,500,000 *l.* up to the end of April. Was that your estimate?—Yes. There was a monthly estimate made in the same form as the one of March, but it was much too low, so that was entirely discarded.

327. That first estimate was yours, was it not?—Yes.

328. You subsequently advanced that to 600,000 *l.* per month, did you not?—Yes.

329. You say that when you formed this second estimate you had not very much more material?—The strength of the force, I had very accurately in the second estimate; and we knew something about the baggage animals; but I find now that it was very little altogether. Of course, as progress was made we were groping our way to a proper idea of what the expenditure would be.

330. This estimate gives the comparative figures I think. The pay of the troops you put down in the first estimate at 50,000 *l.* per month, and it is excluded from the second estimate, is it not?—Yes.

331. In the first estimate the transport service is put down at 150,000 *l.* per month, and in the second at 400,000 *l.* per month, is it not?—Yes.

332. Will you inform the Committee upon what data you raised that amount from 150,000 *l.* to 400,000 *l.*?—The transports engaged in the first instance were very few. We had not the slightest idea of the extent of transport until that return arrived, and that was published in the "Bombay Times."

333. The first estimate of the transport service was, in point of fact, a guess, was it not?—Not exactly. The whole of it, I quite admit, is very much conjectural, but it was really the best we could make of it. Sir Stafford Northcote was very anxious to tell Parliament what the expedition would cost, and we were actually working without much information, but we were in great hopes that if we took other expeditions, for instance, the Persian Expedition, although that was under very different circumstances, we might arrive at a pretty close approximation to the expenditure.

334. Are you aware that the Prime Minister told the country that although the first estimate was a rough estimate, it was a careful estimate?—It was as careful as we could possibly make it.

335. But it hardly was an estimate, I think I understood you to say?—It was merely an attempted approximation to the amount; we had nothing else to offer. Mr. Seccombe will be able to state how this information was procured from the Admiralty. This is always referred to as "the

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"the estimate," as if it was something final; as if in both cases the Secretary of State went to the House of Commons and said, "This is the final sum which we shall require." Now, from all I heard from Sir Stafford Northcote, I merely understood that he was from time to time stating as much as he possibly could what supplies would be required from the House of Commons, but that it was utterly impossible to form any idea of the ultimate cost; I think that the word "estimate" has been improperly used; if it had been called a vote of credit for 2,000,000 *l.* or 3,000,000 *l.*, it would have been much more appropriate. I have regretted ever since that anything so definite and decided should have been stated, because we really had no means whatever, as I think I shall be able to convince you by-and-bye, of arriving at a correct estimate.

336. Sir *Patrick O'Brien.*] In short, it was nothing but a guess, as was stated by Sir Stafford Northcote?—It was an approximate estimate from what we had before us, as far as we could possibly judge.

337. *Chairman.*] But are you aware that the Chancellor of the Exchequer, Mr. Hunt, in his Budget speech, when he adduced your last estimate, stated that the Government expected this estimate to cover the whole?—Mr. Seccombe and myself waited, by desire of Sir Stafford Northcote, on Mr. Hunt, and we told him distinctly that it was reliable to a certain extent, but that we had no information upon which to form an opinion. Mr. Hunt said that he thought it was a very large estimate; he appeared astonished at the amount of it, and said that it was more than Mr. Turner had stated; and when I heard that I was rather satisfied; I thought that I might have been successful in ascertaining what the amount would be up to the 31st of May. You will find that in Lord Clinton's letter to Mr. Hamilton he says, "An estimate has been prepared in this office, which must be regarded as approximate only, from which it appears that the charges in India and England to the end of May 1868 will probably amount to about 5,000,000 *l.* A copy of this estimate is forwarded herewith." I merely furnished the estimate for the information of Sir Stafford Northcote; but I never contemplated the responsibility of presenting it to Parliament; it was merely as from a person who might possibly be able to tell him more about it than any one else at the time.

338. If you read on that letter, you will see that there is another opinion?—Yes; this is what Mr. Hunt told Mr. Seccombe, "That sum is considerably in excess of the amount shown in Mr. Turner's estimate to the end of April 1868, after allowing for the additional month's expenditure; but it is stated by Mr. Turner that his estimate has been framed on incomplete data, and that he has preferred to give totals which will doubtless prove to be considerably under the actuals when brought to account than otherwise." So that Mr. Hunt thought our estimate excessive, and I, of course, had nothing to do with what he said to the House of Commons.

339. With regard to transports; you estimated the transport service to be 150,000 *l.* a month in the autumn and in the spring you estimated it at 400,000 *l.* a month; on what data did you swell the estimate by 250,000 *l.*?—From the returns which came home from India we got the names of the ships and the tonnage. They were very vague sort of returns, but still they were sufficiently important to inform us that we were estimating far too small a sum.

340. As a professional man with much experience in such estimates, and in the conveyance of troops, were you very much astonished at the estimate of 400,000 *l.* when you received it?—I was exceedingly astonished; certainly I never could have imagined such a thing; but at the same time, the circumstances were so exceptional, that I can give no opinion upon the subject. I believe that such an enormous expenditure both on land and sea transport has never been known.

341. Was the sum swollen to 400,000 *l.* by reason of an excessive amount of tonnage or of the price being greatly exceeded?—Not the price; the price was high in some instances, but reasonable, I think, on the whole. We got the actual number of ships which was swelling from day to day. Even after the estimate was formed there were new transports dispatched from Bombay, with a reinforcement to Zoollah, some of which never broke bulk, but remained with the troops on board, and returned to Bombay.

342. Can you form any opinion as to whether the amount of tonnage employed was beyond the necessities of the service?—I cannot form an opinion upon that subject.

343. But the amount employed was greatly in excess of what you originally estimated as necessary was it not?—It was greatly in excess of what I originally estimated as necessary, and of what I could conceive possible, but I was unable to form an opinion under circumstances unknown to me.

344. Do you know anything about the rates of tonnage?—No, I know very little about them. You will get that, I think, from Admiral Mends.

345. But you have stated, have you not, that you thought the rates given were not high?—I would rather give no opinion upon that subject.

346. Have you the elements and materials put into your hands for this increase?—I returned them to the department from which I received them.

347. From whom did you receive them?—From General Pears, I think. All I received was either from General Pears or from Mr. Seccombe, and having performed the duty required of me, which was to get at the expense, I returned all the documents, and indeed I never thought anything more about it. If it had been a part of my special duty I must have been responsible; but I never contemplated anything more than a communication to the Secretary of State, who was exceedingly anxious upon the subject, to state to Parliament what would be required, and I thought perhaps I might assist him in some way.

348. Had you anything to do with the contracts into which the Government entered?—Nothing whatever.

349. Sir *Stafford Northcote.*] You are not, in any sense, an executive officer of the India Office, but you are an accountant, and the Comptrolling Auditor of the Office, are you not?—Quite so.

350. And it was only as a matter of official courtesy and convenience that you were good enough to give the information which was embodied in the form of an estimate; was that so?—Quite so. I saw your extreme anxiety to arrive at the truth, and I did the very best that I could, but I am sorry to say that the amount has been exceeded.

351. *Chairman.*]

351. *Chairman.*] Sir Stafford Northcote told the Committee on Thursday that you had estimates of the ships, coals, provisions, pack animals, feeding, transport service, and so forth, placed in your hands; was that so?—No; I received from General Pears, and from Mr. Seccombe, information, but I had no statements in my hands, except the total amounts which they conceived would be expended up to a certain date.

352. Sir *Stafford Northcote.*] Do you remember that, at the beginning of the business, General Pears made out a rough estimate of the probable monthly expenditure, and showed it to you?—I do.

353. And then you gave an opinion of your own upon the subject, did you not?—Yes; I think I increased it very materially.

354. *Chairman.*] It was for those estimates I was asking you, but they are not in your possession?—No; I merely got the documents for the time and returned them. I was merely assisting in forming an estimate for the Secretary of State; it was not at all for Parliament; and of course he would accept it for as much as it was worth, and he used it as he thought proper. I did not contemplate at all being made responsible to Parliament, because it was not my duty.

355. Will you put in that estimate of March?—Yes. (*The same was delivered in,* vide *Appendix.*)

356. This is also a memorandum of yours (*producing a paper*), which you were kind enough to put into my hand yesterday?—Yes.

357. Do you concur that it would be for the convenience of the Committee if this was put in as evidence?—Yes; I shall be happy to do so.

358. This memorandum is dated the 31st of May 1869; how would you designate it?—It was merely my idea of the Abyssinian expenses which I wished to submit to the Secretary of State for India, thinking that, as there was so much said about it in Parliament, it would be desirable that he should be in possession of a sort of history of the whole matter from the beginning to the end, as far as it occurred to me at the time.

359. It professes to account in a large degree for the excess, does it not?—Yes. This is the memorandum:—"Questions having been lately raised in Parliament as to the expenses of the Abyssinian Expedition, and an inquiry suggested as to the large excess of charge over the estimate, it appears necessary and desirable to trace briefly the proceedings taken on the formation and dispatch of the force, and the causes which have operated in creating a larger expenditure than was, for the reasons afterwards shown, possible, in the first instance, to calculate or prevent. The plan of the expedition was fully matured by the highest authorities both in England and in India, and, in a wonderfully short time, a mutual co-operation was effected by means of much rapid correspondence and the telegraphic wires; it must be recollected that, although we had before undertaken expeditions of this nature, yet never were we so utterly in the dark with regard to the country to be invaded, the temper of the people through whose country we had to march, the nature of the supplies which must be provided for the army, or the mode of transport to be followed. For these reasons, the gigantic task before the directing authorities, and the wonderful energy and combination that were required to carry out the expedition to a successful issue must be apparent. To hesitate about expenditure was to ruin the cause; if one link had failed, the force must have been detained in Abyssinia during a rainy season, and the loss of men and treasure must have been such, as it is impossible to contemplate without a shudder. One month's delay would, most probably, I may say certainly, have been most calamitous. The army sent to Abyssinia may be, in round numbers, put down at 4½ regiments of cavalry, one field battery, six companies of Engineers and Sappers, and 12 regiments of infantry, making a total of 13,000 men of all arms. The whole of the force was sent from India with the exception of one company of Royal Engineers, which was dispatched from England overland. Leaving political considerations out of the question, there can be no doubt that it cost the country far less, drawing this expeditionary force from India than it would have done had it been sent from England, even excluding the large sum contributed by India in the shape of the ordinary pay of the troops. With the numbers or composition of the force it is difficult to find fault. There were, of course, various opinions at the time, but the result proved that the whole were required to make sure of victory, and two extra regiments were on the point of landing at Zoola when the object of the expedition was so happily and suddenly attained. It hardly admits of a doubt, that, had the force been seriously harrassed, either on their way up country or during the return march, or had the many tribes on our route systematically annoyed our convoys, which were perpetually travelling up and down a line 400 miles long, the number of fighting men would certainly have been below, rather than above, the mark. Glancing at the extensive preparations which were made in an inconceivably short space of time, both in England and in India, when war with Theodore was determined on, can we not discern causes of extraordinary outlay, some of which would hardly, at first sight, appear to have been warranted by the size of the force or the strength of the enemy to be attacked. It was desirable, in a political sense, and absolutely necessary and indispensable that we should strike a blow as soon after declaring war as possible. The Secretary of State, therefore, and all under him, were pledged to act with rapidity and vigour, and had a most arduous, anxious, and responsible task to put all the departments concerned in a state for instant action, in short, to bring them in a month or two from a peace to a war establishment, and we, of course, had to pay heavily for extra rapidity of preparation, as it will hardly be disputed that, when anything is wanted in a hurry, it always costs more than when time is not an immediate object. I have only to make some brief remarks to show how costly were our preparations, as above alluded to. A number of steam transports were hired, and the Peninsular and Oriental Company engaged to lay in a great stock of coals at Bombay and Aden for their use, officers and veterinary surgeons were sent to the countries in the Mediterranean, Turkey, Italy, and Spain, to purchase thousands of mules, while the Indian Government bought up more in Asia; 5,000 Sniders, with two and a half million cartridges, were issued, I believe, at very short notice, and the War Office also undertook to provide pack-saddles or harness for all the mules, and ordered the construction at Woolwich of two small mountain batteries, which were actually manufactured within six weeks. A field telegraph apparatus was got ready. A surveying vessel was commissioned to explore the

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channels and harbours of the Red Sea on the Abyssinian side. Lights and buoys were provided for the safety of the transports. Three hospital ships, commodious and well stored, with a competent medical staff, were fitted up for invalids of the army, and sent round the Cape to Zoola. The newly-invented American tube wells, of Norton's patent, were tried, approved, adopted, and sent out in large numbers, as also were three of Bastier's chain pumps; a naval rocket brigade was formed, armed, and equipped. Extra surgeons were sent out to follow the army, in addition to those of the hospital ships. As it was understood that the only coin current in Abyssinia was the Maria Theresa dollar, arrangements were made with Messrs. Rothschild and the Imperial Mint at Vienna to procure a large sum of that money. Bell tents, hammocks, blankets, waterproofs, extra clothing, portable ovens and cooking ranges, compressed hay and oats, pocket-filters, one for every British soldier, apparatus for distilling salt water, yeast for making bread, preserved vegetables, medical comforts and a great variety of other stores, besides what belonged to the armament, were provided by the India Office and War Office. A surveying party was formed to make plans of the vicinity of the line of march. A scientific party was organised to take notes of the geography, botany, natural history, and mineralogy of the countries traversed. The services of men who had travelled in Abyssinia or thereabouts, and of others who were versed in Oriental languages, were secured for the intelligence and the political departments. Inquiries were made about constructing a railway. In short, everything was nobly done in England that a careful and energetic administration could effect, without the unnecessary loss of a single day. The expedition was, in fact, to be a model one, and in every respect worthy of the age and the nation which fitted it out. This could certainly not be the case without heavy cost. I have shown some of the reasons why the Abyssinian Expedition came to be so very expensive. Again, in India, it was stated in July 1867, that four months at least would be required for the commissariat arrangements, and they were carried out on an extensive scale, with all possible haste and consequent cost. Although the expedition could not move till near the end of 1867, yet a very complete reconnoitring and surveying party was dispatched to Abyssinia in September 1867, to select a landing place, &c. &c. This was one of the extra expenses caused by our ignorance of the scene of operations, and its cost was very much increased by this party being accompaned by a body of troops, who were early permitted to effect a lodgment in the country. The fact of some 1,500 men, of all arms, being established for some months before the general advance of the expedition could be made, constituted a very considerable cause of additional expenditure. Of its necessity I can give no opinion, Innumerable transports, both sailing and steam, were hired by Government in England, and in all the principal ports of India, and these were, of course, found on the spot where they had to be laden with troops and stores. The major part of the force was necessarily sent from Bombay, to save time; there can be no doubt, however, that this could hardly be considered an economical arrangement, because a severe strain was put on the departments, and all the purchases of supplies being made in one place, although necessary under the circumstances, enhanced the cost, as the prices, both of supplies and labour, are much larger at that Presidency than at Calcutta or Madras, and the pressure and want of time led to even more than proportionate expenditure. This was especially the case in regard to the commissariat supplies. I may here quote the words of one of the correspondents of the English press, with regard to the military preparations at Bombay: 'it is needless now to enter into any detail of the preparations at Bombay, but it must be said they were of the most extensive and complete character. Everything which could be thought of was provided for the health and comfort of the troops.' Money, of course, was freely spent, and, no doubt, in many cases, Government paid too much, and were imposed upon; but this is inseparable from a hastily prepared expedition. The mercantile marine, too, always look for a harvest in war time, they generally reap a large one, and the Abyssinian Expedition was certainly no exception in this respect. When there is an extraordinary demand, there generally follows a large supply, this invariably leads to an exorbitant outlay. It is to be presumed that the Government officials at the various ports endeavoured to control the expenditure, and that every ship was utilised. It would be hard for us to say that even one vessel less than the number employed would have been sufficient to take the troops, animals, and stores, without fail, to the rendezvous at Zoola; but as to the number required to take the force back to India, while I would quote an estimate laid before Parliament, I can offer no opinion as to how far the suggestion was carried out. The transport charge, as far as then known, is stated, and it is observed, 'this, however, ought to be largely reduced by the discharge of vessels, amounting in number to 53 sailing ships, aggregating 28,773 tons, and which have been engaged in carrying elephants, camels, mules, ponies, and bullocks, as well as bulky commissariat stores, such as grain rations, pressed hay, bran, straw, &c. At the termination of the expedition, there will be many stores, the removal of which by sea would cost much more than their worth. The provisions, grain, and hay will, perhaps, be consumed, but, if not, it appears to me that, with the exception of the grain and provisions, it would be more economical to abandon, or, if possible, dispose by sale, of what may be left. This remark applies to the baggage animals, with the exception, perhaps, of elephants, for their transport to India would far exceed their value, and, in any imaginable case, it would not be worth while to keep in monthly pay a large fleet of transports with the view eventually of carrying them back to India.' I do not, for a moment, question the sea transport arrangements; made by the able supervising officers at Zoola, which, no doubt, were carried out most zealously, and to the best of their judgment under the circumstances. I desire merely to show that there were reasons for not anticipating this portion of the heavy charge of the expedition. It is undoubtedly true that several hundreds of mules and other baggage animals were, at the close of the war, taken back to India, and this led to large expense, the vessels arriving in Bombay harbour in the very height of the south-west monsoon, when it was impossible to land them, and large demurrage in the meantime was paid for the transports. It is also, I believe, undeniable that many

many of the animals so shipped were sold in India for almost nothing. In the Persian War, and previous expeditions, the cost of sea transport was much lessened through the services of the Indian navy; and the shorter distance the troops and stores had to be conveyed, as a matter of course, required the employment of fewer vessels; whereas the enormous mass of stores and baggage animals purchased for Abyssinia, however necessary they might have been to guard against the possibility of failure, entailed an expense out of proportion to all former expeditions, which it was almost impossible to foresee or anticipate. I would now summarise the different services of expenditure: 1. The military preparations in England and in India were made in great haste, and were consequently necessarily expensive; 2. Buying up many thousands of baggage animals in all directions, and at war prices, which were afterwards sold for almost nothing; 3. Manufacturing several thousand breech-loading rifles, and an immense number of cartridges, besides mountain trains. 4. Ordering at short notice thousands of expensive saddles and harness. 5. Providing foreign coins, Theresa dollars, with charges of transit and resale. 6. Arrangements for water condensing for thousands of men and animals at Zoola, and American tube wells. 7. Ordering in haste all manner of army stores, provisions, and forage, in England and in India. 8. Hiring at high rates a large fleet of transports. 9. Hospital ships. 10. Equipping a naval rocket brigade. 11. Organising a field telegraph, and attaching several scientific men for special purposes. 12. Sending very early a large reconnoitring party, with a body of troops and followers, the troops effecting a lodgment many miles up country. 13. Sending 50 elephants, with their equipments, to the extreme point of the expedition, Magdala. 14. Landing with the army, and far up the country, an extraordinary amount of reserve ammunition, much of which had, I believe, to be destroyed. 15. The rations of native troops, their peculiar wants having to be supplied from India. 16. Necessarily making arrangements of transport and supply, &c., for a lengthened stay in Abyssinia, but leaving the country much sooner than was anticipated, consequently an enormous loss of provisions and stores. 17. Taking back to India a large number of animals and a great quantity of stores, which, as they could not be readily disembarked at Bombay during the monsoon, were of little or no value of themselves, and entailed heavy payments of demurrage to the owners of transports. 18. The many contrivances for the embarkation and disembarkation at Zoola and in India, including the construction of two piers at the latter place. 19. The enormous quantities of supplies of all descriptions which had to be sent to the army, in consequence of the extremely unprovided nature of the country. 20. The large sums paid to the natives of Abyssinia for food, forage, and live stock. 21. The labour expended in trying to keep out the sea, and the damage done to stores by the inroads of the tide at Zoola. 22. The expense of warm clothing for Europeans and natives, necessitated by the climate of Abyssinia. 23. The Transport Train, more expensive from want of time required to ensure proper organisation, and the great confusion at first in consequence. 24. The re-shipment of hundreds of muleteers, who were found unfit from various causes, and had to be sent back to their own country. 25. The cost of a railroad. 26. The unavoidable agglomeration, from short notice, of a vast number of officers and men of all nations and occupations, and of quadrupeds of all kinds from many countries far and near, and of harness and saddlery of every description in the Transport Train. 27. The shoeing of horses, ponies, mules, and bullocks, owing to the roads in Abyssinia, which alone is said to have cost 15,000 *l.* I have made the foregoing remarks merely to give some idea of the causes which led to the enormous expense of the Abyssinian Expedition, and a great deal more might be said; the above, however, will suffice to show the reasons which have led to an expenditure which at first was not contemplated, but which may have been in a great measure unavoidable. Had the slightest hesitation been evinced in procuring whatever was demanded, the results might, I may say must, have been disastrous, and perhaps have brought about a most serious national calamity. When the estimates were framed, there was very little or no reliable data on which to form an accurate opinion of the probable charge. There were no accounts from India, nor could any have been expected at that early period. From the very little information, and that not full or detailed, a charge of 5,000,000 *l.* to the 31st of May was considered a fair approximation. If we may judge also from the Indian accounts for 1867-68 and 1868-69, it does not appear to have been contemplated that there would have been a larger outlay than that estimated here. I may also observe that the sum estimated was considerably in excess of the amount shown in Mr. Turner's estimate to the end of April 1868, after allowing for the additional month's expenditure; but it is stated by Mr. Turner that his estimate has been framed on incomplete data, and that he has preferred to give totals which will doubtless prove to be considerably under the actuals, when brought to account, than otherwise." (Lord Clinton's letter to the Treasury, 3rd April 1868.) If we separate all charges incurred after the 31st of May, including transports, demurrage, establishments (some of which are hardly yet discharged), donation batta to the troops, and, taking into consideration that vast supplies of stores, provisions, baggage animals, &c., purchased under the possible and not improbable contingency of a lengthened campaign, and which have been sold for almost nothing or destroyed, the estimate will not appear so much out of proportion to the actual charge as may at first sight appear; at all events, I need hardly remark that it was prepared solely from the certainly meagre facts procurable, and with an earnest desire to arrive at the truth. The charge for the Transport Train was, as now appears, beyond all possibility of estimate from the enormous number of animals purchased at high prices; the amount paid must be considered a total loss, on account of the large number of deaths, and the impossibility of disposing of the animals that remained after the termination of the campaign; to this must be added the expense of grain and forage on the advance to Magdala, from the small supply procurable in the country. The sea transport also far outran calculation. I merely allude to these facts as a cause for the charge exceeding the estimate, believing that, as every one acted for the best, such enormous expenditure, above all anticipation, was unforeseen, and, perhaps, could not have been prevented.

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There is, however, the great fact, that the expedition was a great success, perhaps as much so as any ever known; there was nothing wanting, no check, everything in its place as required, and not a single life lost, or even endangered, by want of preparation; the India Office effecting, through a correspondence, most voluminous in extent with the War Department, the Admiralty, the Bombay, and the other Governments in India, a combination complete and efficient, requiring the most anxious consideration, and involving the greatest responsibility. In conclusion, at the risk of appearing prolix by repeating what has been already said, I would offer the following brief summary; now that the object has been most successfully accomplished, complaints are made that the estimates were erroneous, and the ultimate cost too great. But how stands the case? As regards the estimate, it was stated that up to the 31st of May we should probably require 5,000,000 *l.*, and thenceforward the current expenses might be taken at 600,000 *l. per mensem*; such a calculation might apply to a campaign of two years' duration more correctly than to one of 12 months and less, since, in the latter case, the general expense, the loss on surplus stores, the expenditure on railways, telegraph, road making, and landing arrangements, have to be distributed over a smaller number of months. The estimate was made upon data confessedly of the most uncertain and inadequate kind. The force had to march over 400 miles of an unknown and rugged country, among a people, hostile of course, and of unknown and exaggerated military power, to obtain possession of the captives, and bring them away. The question was one not easily answered,—what will it cost? Is it matter of surprise to us in England, who daily see estimates of great public works exceeded to an enormous extent, works in which almost every difficulty might be foreseen, every pound of material and every day's labour accurately calculated, to find that the actual cost of getting captives in Abyssinia should have proved more than was expected? Again, as regards the ultimate cost, what was the state of things in August 1867? Multitudes of people crying out against the hazardous character of the undertaking, captives to be rescued, Theodore humbled, the national honour vindicated; and by what means? By a force from Bombay, landed on a coast only known to be one of the most unhealthy and inhospitable in the whole world, to march at least 400 miles among a hostile people, whose numbers and military organization were most imperfectly known, with the certainty of finding little to eat and not much to drink, added to this, tremendous physical difficulties throughout the route. We had to prepare for the worst, in the event of Theodore being ready for a protracted seige, or removing the captives to a more remote locality; the important matter for consideration was, whether to accomplish our end in six months, and to bring the expedition to a conclusion which has been wholly unparalleled for completeness and success, or to prepare for operations extending over an indefinite period. Such was the aspect of affairs when the Bombay authorities, separated from the scene of action by at least 2,000 miles of sea, with communication rendered extremely difficult and uncertain by the violence of the monsoon during the months of June, July, August, and September, had laid upon them the responsibility of making such arrangements that a force so situated should not, under any circumstances, be cramped in its movements, or injuriously affected in the health or efficiency of the troops, by any want of vigour or foresight on their part, however large the expenditure. And how was this done? It may be said, and is said now, that it has been overdone; but what if Magdala had held out? What if Theodore had carried away his captives? If, for want of troops and transport, the men of Tigre had been encouraged to harass us, and had attacked our communications, or plundered our supplies; if the force had been compelled to remain during the monsoon, and men had broken down under fatigue and privation; if, as an experience too dearly purchased teaches us, there might have been loss and disaster instead of triumph and rejoicing; what would have been then said if those to whom the duty of providing for and conducting the expedition had been entrusted? It was, and ever will be, simply impossible that the cost of an expedition of this nature, incurred with a view of meeting all unforeseen contingencies, can be fairly judged of by circumstances ascertained after the fact, and when the possible difficulties against which provision has been wisely made, disappear under the effect of that very provision, and the expedition has been attended with uninterrupted success."

360. What department do you think would most conveniently analyse the accounts from India, setting out the departmental estimates which you submitted in March, in comparison with the actual cost in each of these departments assuming that the Committee may think that form of account convenient?—Mr. Turner is thoroughly conversant with the accounts, and he is now in England; I really know nothing about them.

361. Were the animals which you landed in Abyssinia, in excess of the quantity which you estimated?—Very largely in excess. To show the impossibility of Sir Stafford Northcote having any idea of what the expense of the land transport would be, I would beg permission to put in evidence a few extracts from a despatch from Lord Napier of Magdala, dated the 1st of July 1868, published by the India Office in the "London Gazette" of the 1st of August 1868, at pages 4376 to 4380. "Among the muleteers and muccadums, a few were collected, who had belonged to the field column carriage under the commissariat, the rest were the off-scouring of the Bombay streets, consisting of broken down native tradesmen, discharged Europeans and Eurasians from other departments, and the class termed 'loafers.' Prior to their embarcation the first detachment that proceeded with the advanced brigade, was inspected by his Excellency the Commander in Chief in Bombay, who expressed himself, as under the gravest apprehension in regard to the stability of a transport founded upon such a nucleus, and on the 15th of October 1867, a military organisation was sanctioned approaching very nearly to the first scheme as laid down by the director in his report, dated 15th August 1867," paragraph 21. "The organisation of the train was much affected by a change in the class of muleteers, for, besides those sent out from Bombay, at the commencement, a very large number of muleteers, or believed to be such, were sent from Suez. They consisted of every European nationality, besides Turks and Egyptians, and the interpreters were very few in proportion; many among these were

so open to bribery and corruption that the correctness of their interpretation had to be purchased by the men. The wanton barbarous cruelty of these men to their animals, their unwillingness to work or to bear privations, beside being insubordinate in the extreme, led to their being discharged, and during the months of January, February, and March, 2,100 were sent back." There are a number of other paragraphs, but I will only read this other: "It must be acknowledged that the losses have been very great, both of animals and stores; but under the then existing circumstances, it was literally beyond human control; the long marches (one especially of 32 miles) when the water supply at Undul wells was very limited, without any streams on the wayside at which men and animals could refresh themselves, they would arrive at night utterly prostrate with fatigue and without any hope of rest until the animals had been unladen, watered, and fed, and this in a narrow crowded pass where only a few animals could be watered together, which took up a considerable time." The loss of stores and animals is a thing which never could have been contemplated in any estimate in the world. I suppose that of the 30,000 mules which were landed, none were sold for anything.

362. But would not the loss of animals be a necessary incident in all wars, and a necessary condition which could have been anticipated by a professional gentleman like yourself, and provided for in your estimate?—The circumstances were so exceptional that no man living could have anticipated them.

363. Were there ever any expeditions in which animals were not lost?—To a wonderfully small extent, because in all the other expeditions there was plenty of forage and water, and men who were perfectly well trained to the care of the different animals. The death rate on marching is not more than about the ordinary death rate in quarters. There was nothing to kill the animals.

364. Then that would verify your estimate, would it not?—It would. I am free to say that this was an enormous source of expenditure which no foresight on the part of the Secretary of State could have prevented. In an ordinary campaign, such as I have often known, there would be very little loss of animals, because the men would take care of them. The death rate in marching is generally not much more than it is in quarters; but in Abyssinia the matter was entirely altered. The want of water and the excessive fatigue, and I may say also the want of arrangements and the bad muleteers led to an enormous destruction of animals.

365. Do you know the total cost of the animals?—No.

366. Do you know your own estimate for animals?—That was furnished to me at the time.

367. Was it not your own estimate?—No.

368. Then you do not know how far the accounts have been increased by the excessive waste of animals?—To a very large extent.

369–70. Do you know to what extent?—I do not.

371. The geographical character of Abyssinia was in some degree known to you previous to the starting of the expedition, was it not?—No.

372. Were you not aware that it was altogether mountainous, and that it was an almost impossible track to Magdala?—But we might have reasonably calculated that when they got to some distance inland there would be an amount of forage and water. In short, it was said to be a cold climate, and one in which animals might have lived, so that the mortality is beyond conception. There is another thing. In an ordinary expedition the animals are always returned, and are worth as much nearly as when they were sent.

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373. Sir *John Hay*.] As a basis for the Committee to argue upon, are you aware that about 36,000 animals were landed at Annesley Bay?—I have heard so, but I am not aware officially.

374. Did you estimate for anything like that number?—No. I estimated 30,000; but carts, and the railway should have diminished that number.

375. Are you aware that only 7,400 animals left Annesley Bay?—I hvae heard that; I merely wished to bring what I do know under the notice of the Committee.

376. *Chairman*] What number of animals did you estimate as needful?—They are stated in the estimates.

377. Did the actual number exceed your estimate?—It did. My estimate is this; 45 elephants, 8,000 camels, 16,950 mules, and 5,000 bullocks.

378. Are you aware that it was stated by Lord Malmesbury in the House of Lords that the number of animals employed was 23,600?—It was much more than that. It has been stated that 36,000 animals were landed.

379. You estimated for 30,000, did you not?—Yes.

380. The excess was only 6,000?—Yes; but in estimating, I did not calculate on carts or the railway.

381. What is your estimated cost of those 30,000 animals?—We had no estimate at the time of the cost of animals, except that which was furnished by the War Office, and that you will find was 200,000 *l.* There was an addition for what it was supposed would be the cost of the animals purchased in India.

382. Do you remember what the cost of the animals was?—The cost we do not know. The mules were taken at a low figure, something like 20 *l.*

383. Do you know what they actually cost?—No, I have never seen the account.

384. You estimated for 45 elephants, did you not?—Yes.

385. Forty-two were landed were they not?—Yes; that has not added much to the expense, considering their usefulness as carriage.

386. What amount of tonnage did you estimate?—I took the Admiralty estimate and the returns from Bombay, above referred to.

387. Do you remember what that was?—The total amount was stated.

388. What was the tonnage for which you estimated, and what was the rate per ton?—They were all at different rates; we calculated the tonnage at the rate for which each vessel was actually engaged, as far as could be ascertained.

389. What was the tonnage for which you estimated?—I do not know at this moment; we estimated each vessel.

390. Can you furnish the Committee with that another day?—I have not a return of it.

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391. Sir *Stafford Northcote.*] The estimate of the tonnage, I think, was prepared not by you, but by the Admiralty was it not?—Yes, and from the returns as above.

392. So that in your estimate you said "assuming the estimate of the Admiralty to be correct, it will come to so much"?—Precisely; but the Admiralty were not in possession of the information, except as regards the transports engaged by themselves.

393. *Chairman.*] Do you know if there were any reverses or casualties during the war, which might not fairly have been anticipated?—I think there were very many; for instance as regards the total loss of animals, none of them that were landed were of any value at the close of the expedition, except perhaps the elephants. The mules which were landed at Bombay were sai to have been sold for a rupee or 2 *s.* a-piece, but I cannot vouch for that.

394. Sir *John Hay.*] Are you aware that of the 36,894 animals which were landed, only 7,421 were again embarked?—So I have heard.

395. That being so, is it not a much greater loss of animals than you could have calculated for in your estimate?—Yes; it was impossible to calculate for that in the estimate.

396. As a matter of fact, 29,000 animals were lost, for which you might have calculated that the Crown would have had to receive 40 *l.* a-piece?—I would hardly say that; I would say 20 *l.* a-piece would have been the utmost, and perhaps not that.

397. *Chairman.*] At what market would you expect to get 20 *l.* a-piece for them?—It was stated at the time that the Mauritius merchants would have sent up for the mules to Zoola, and paid a good price for them.

398. By whom was it stated?—By two gentlemen who came to the India Office, Mr. Ireland and Mr. Fraser, from a house in the Mauritius; at the same time they would not accept of any responsibility.

399. Was that an element in your estimate?—It was not.

400-1. Did your experience as a professional man enable you to confirm or to correct the estimates which were put into your hands by the various departments?—I had no opportunity of confirming or correcting them in any way; I merely accepted them as they were given.

402. Then, in point of fact, do you disclaim all responsibility for the estimates?—I should be sorry to do that; I did the very best I could, and I am quite happy to be responsible to any extent to which you propose to make me responsible; only that it was no part of my duty to do this work, but it was merely as an assistance to the Secretary of State.

403. But did you exercise your own judgment and professional knowledge upon the estimates which were put before you by the several departments?—Most certainly to the best of my ability, from the very defective information which was before me.

404. Was your judgment in accordance with the departments that those were reliable estimates?—I should say so certainly; they were the most reliable which I could possibly make at the time, and I suppose that General Pears will bear me out that he also thought they were very fair.

405. From General Pears and the other department we shall get the data upon which you exercised your judgment, and upon which you built up your ultimate general estimate, shall we not?—There was very little data of any kind. You will find the price for animals and the rations for the troops, and the commissariat charges put down by a mere estimate, and the staff was put down in the same way. As to other matters, there was really very little data to go by.

406. Did you in any way alter the estimates submitted to you?—In no way whatever; the only part of it that I own is the calculating the feeding of so many animals, and the feeding of men, and the native followers.

407. Then the estimated cost of transport was furnished by the Admiralty, was it not?—Yes, and from India, in a return which was sent home.

408. And that you accepted?—That we accepted.

409. Did you exercise your judgment upon that?—I had no opportunity of doing so.

410. Where did you get the cost of coals?—The cost of coals was supposed to be included in that 650,000 *l.* up to that date.

411. Had you any detail of that 650,000 *l.*?—None whatever.

412. Then, in point of fact, there is no responsibility upon you for the first estimate, is there?—They say, "If it be correct it is accepted," if you will read the words of the estimate. I merely inserted that in the estimate.

413. Sir *Stafford Northcote.*] Would you tell me whether this Paper (*handing a Paper to the Witness*) was furnished to me by you in the early days of this matter?—It was.

414. That was furnished in October 1867, was it not?—Yes. (*The same was delivered in*, vide *Appendix.*)

415. That Paper, I think you have not seen since it was delivered in, it has been in my custody, in fact, ever since?—I have not seen it since.

416. Do you observe that estimate of yours divides itself into two parts, the first part giving a statement of the expenditure already incurred which is founded upon the assumption that certain calculations which have been made by other departments are correct, and the second an estimate of the monthly expenditure of the force in the field?—Quite so.

417. Would you be good enough to read, one by one, the heads of the estimate in the first part?—Assuming the estimate of the Admiralty ships, coals, and provisions to be correct, 650,000 *l.*

418. For that 650,000 *l.* you are not responsible, but you took an estimate furnished to you by the Admiralty, did you not?—Quite so, it was furnished to me by some of the departments of the India Office.

419. That was an estimate purporting to come from the Admiralty which was shown to you, was it not?—Yes.

420. What is the next item?—"India Store Department, including shipping charges, 150,000 *l.*"

421. That, again, was an estimate furnished by the Store Department, and shown to you, was it not?—It was stated by the Director General of Stores.

422. You have assumed that to be correct?—Quite so.

423. *Chairman.*] And you exercised no judgment of your own upon either of those items?—None whatever.

424. Sir

424. Sir *Stafford Northcote.*] What is the next item there?—"Cost of mules by the War Office, including the allowance for feeding, stable, gear, and servants, &c., it is safe to estimate at the very least 200,000 *l.*"

425. Was that an estimate of your own?—No, it was partly from what was furnished to the War Office. The next item is this: "In India, purchase of pack animals as per estimates already made." That must have been furnished, and it was furnished by some of the departments.

426. Be good enough to turn to the last page, did you supply an account of the number of baggage animals usually required for troops in the field?—I did, and it is here.

427. In that you set out in considerable detail the number of camels, mules, and so forth, which would be required for such a force, did you not?—Quite so.

428. The estimate of the animals was founded upon a calculation of yours as to the number which were ordinarily required for troops in the field, was not that so?—Yes.

429. You made that calculation upon your own acquaintance with the requirements of a force in the field, did you not?—Quite so.

430. Then your estimate in the first page is based upon that calculation, is it not?—Yes.

431. What is the next item?—"Feeding, attendants, and fittings, should be added, which (exclusive of transport) will cost 20 rupees each animal per month, if purchased at intervals, say 20,000 animals at 20 rupees each for two months, previous to embarkation."

432. That again is a calculation of your own, is it not, designed to show what the expenditure incurred would be before the force took the field?—Quite so.

433. What is the next item?—"Transport 60,000 tons, four months, taking the rate paid during the mutiny."

434. That was the basis upon which you made the calculation for the transport, was it not?—Yes.

435. What did that come to?—£. 390,000.

436. *Chairman.*] What was the rate per ton?—I do not recollect.

437. Sir *Stafford Northcote.*] You ascertained, I suppose, at the time what the rate paid during the mutiny was?—Yes, I had access to all the documents which we had in the office, and I searched them very carefully.

438. What is the next item?—"Sundry expenses for the marching of troops, with commissariat, forage, and all extra charges, together with transport, coal, and miscellaneous payments to the port of embarkation, 80,000 *l.*" That made a total of 2,000,000 *l.*

439. Is that the estimate which you formed partly from information furnished by the War Office and the Admiralty, and partly by your own calculation as to the expense of putting the force into the field?—Quite so.

440. From that you never departed?—I never departed from that.

441. Is not the remainder of the estimate a calculation of what the monthly cost would be?—It is.

442. *Chairman.*] You only yourself estimated a small portion of that 2,000,000 *l.*, did you?—The portion is stated; I estimated the expenditure in India.

443. £. 650,000 was not yours at all, was it?—No.

444. The 200,000 *l.* was not yours at all?—A portion of it was.

445. The estimate for the pack animals was not yours at all, was it?—Yes, to a certain extent you will find the details of the pack animals in this document.

446. About one-half of this was your own, and about one-half of it was supplied, was that so?—Yes, quite so.

447. Sir *Stafford Northcote.*] Then as to the second part of that estimate as to the monthly cost, you calculated it in detail; will you read the details?—Yes; "Pay of troops 50,000 *l.*; commissariat at least 60,000 *l.*; rations and allowances for foreign service to soldiers and followers, 10,000 *l.*; land transport 150,000 *l.*; coals, 25,000 *l.*; forage for cattle 50,000 *l.*; miscellaneous (allow about) 25,000 *l.*: total per month 370,000 *l.*

448. Were those estimates your own?—Quite so, as to estimating the number of animals.

449. *Chairman.*] Do you mean to say that the 150,000 *l.* was land transport altogether?—It must be land and sea transport.

450. Sir *Stafford Northcote.*] What did you make the total expenditure?—£. 370,000.

451. Those figures at all events were made by careful calculations of your own, founded, upon your general knowledge, and upon certain calculations which are indicated in that paper, are they not?—Quite so; I got all the documents I could possibly lay my hands upon.

452. *Chairman.*] I think that the answer which you gave to the Right Honourable Baronet conflicts somewhat with an answer which you have given to me. Certain estimates were placed in your hands, and those you accepted without analysing them, or using your own judgment upon them at all; was that so?—I was not required to do so.

453. Does not that rather conflict with what I understand you now answer to the Right Honourable Baronet?—I do not see how it does; I merely trusted to the Admiralty and the War Office, and the Director General of Stores.

454. Sir *Patrick O'Brien.*] What was actually your own estimate had reference merely to the pack animals, had it not?—Merely to my experience of the charges of former campaigns with which I had had a good deal to do.

455. Mr. *Seely.*] On the 13th of March, I think you estimated that if the expedition ended on the 31st of May the cost would be about 5,000,000 *l.*?—Yes.

456. And the cost has now been ascertained to be 8,773,000 *l.*, has it not?—So I understand.

457. With regard to the amount of the excess of the several items, the Chancellor of the Exchequer on the 4th of March of this year stated that the staff pay and batta (which does not mean the pay of the soldiers, but the extra pay which they receive while on foreign soil) would be 319,000 *l.* In your estimate of the 13th of March you put down, I find, "Foreign Service Allowances, 10,000 *l.* a month;" is not that so?—Quite so.

458. That, I apprehend, is a corresponding item to that 319,000 *l.* mentioned by the Chancellor of the Exchequer?—It is utterly impossible; there must be some error in the statement.

459. But calculating that the expedition lasted nine months, it would be 90,000 *l.* as against 319,000 *l.*, would it not?—Quite so.

460. Sir *John Hay.*] In calculating the 10,000 *l.* a month, did you calculate merely the ordinary

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extra pay on foreign service, or did you calculate the charges for war batta, and for the half-year's extra pay, which was also given for a successful expedition?—The war batta was not thought of at the time.

461. Therefore, the discrepancy between the question put to you by the honourable Member for Lincoln and your answer may be reconciled, I suppose, by the fact, that in consequence of the successful nature of the expedition the troops were rewarded in excess of the sum which you contemplated?—It may be so; I do not know how the discrepancy exists, but nothing was known about the success of the expedition; the war batta was entirely excluded, and that is a sum of 300,000 *l.*, which, of course, adds to the estimate.

462. Mr. *Seely.*] What do you suppose that the war batta for six months would have come to?—I think between 250,000 *l.* and 300,000 *l.*, but I cannot tell precisely, because they have admitted so many people to participate in it.

463. The next item which the Chancellor of the Exchequer gave was "Stores and Supplies, 563,000 *l.*," was it not?—You will find the commissariat put down at 60,000 *l.* in the estimate.

464. In your estimate I think you gave stores and supplies from the India Department up to the 31st of December?—That is stores at home; you will find that under the head of "Commissariat;" at least, 60,000 *l.* a month of stores are included. That is in the estimate which is now put in; the estimate of the 11th of October.

465. Can you state to the Committee to what the stores and supplies come, according to your account, taking the same items as the Chancellor of the Exchequer gave when he said that the stores and supplies cost 563,000 *l.*?—That is his calculation, but I do not know upon what it is founded.

466. Sir *John Hay.*] Might it not be founded upon your statement of 60,000 *l.* a month?—I think not; it must be founded on Mr. Turner's statement from Bombay.

467. Mr. *Seely.*] I have taken it as making up the 563,000 *l.*; the India Store Department charges 150,000 *l.*; then I have taken the provisions for troops and followers at 28,000 *l.* a month?—Then there are the baggage animals.

468. That comes under another head, does it not?—Stores would be included under the feeding of baggage animals, because there was an enormous quantity of pressed hay and corn sent, which is all considered as army stores at the time.

469. It would be very desirable that the Committee should have a clear conception of what the items were upon which there was a great excess, so as to account for the 3,700,000 *l.*; can you supply them with that information?—If the Committee would allow me, I would suggest that statements have been made to the Treasury which I think would account for a certain amount of the excess over the estimate of the amount paid. If Mr. Turner could prepare a statement for the Committee, showing the amount paid for all vessels from the 31st of May to the date of the discharge, including demurrage, I think that statement would supply the required information. If you accept the 5,000,000 *l.* as the expense to the 31st of May, and ascertain what was incurred afterwards, I think you will find the estimates not so very far out; they may be wrong in the several items, but I think the aggregate would not be found to be so very much out.

470. Will you refer to your estimate of the 13th of March, and tell the Committee what you have included as the charge for sea transports?—On the 13th of March, I took all the vessels that I could get hold of at the time, and their tonnage, so far as I could ascertain it from every source at my disposal. I merely estimated the monthly charge at so much per ton, and it comes to very much the same as is stated there.

471. But what is the sum stated in your estimate of the 13th of March for sea transport?—£. 400,000 for a month.

472. For how many months did you calculate?—Five months; that would be 2,000,000 *l.*

473. In your first estimate did you not put down "Ships (Admiralty), coals, and provisions, 650,000 *l.*"?—Yes.

474. That would be sea transport, would it not?—That would be sea transport; but I considered the others entirely in excess to that.

475. That would be 2,650,000 *l.*, would it not?—Yes.

476. If you add another month, at 400,000 *l.*, in consequence of the expedition being delayed a month longer, would not that give the amount of the total according to your estimate of sea transport?—Some of the transports, I understand, were not discharged until October, but I have no official information upon it, But one thing is certain, that the whole of the transports arrived in Bombay Harbour during the south-west monsoon, and it was impossible to unload them. A great deal of the stores were thrown overboard rather than keep the transports in demurrage; and you will find that the sea transport, after the 31st of May, will, in a great measure, account for the difference between the statements of the Chancellor of the Exchequer with reference to my estimate and the actual expense.

477. Would it not be the more convenient course for you to prepare for the Committee a comparison between the statement of the Chancellor of the Exchequer and your estimate of the 13th of March, showing the items on which the excess arose?—I think if you would kindly order it from the Treasury, Mr. Turner has all the accounts, and he could furnish it. He has the work in his possession, and he could do it much better than I could.

478. Are you aware that Sir Stafford Northcote, on the 7th of October (Parl. Return, p. 312), sent an order to India for monthly accounts to be furnished to England?—He was very anxious to have them as promptly as possible, and he did so.

479. Are you aware that a statement was made in the "Bombay Gazette" that the accounts, properly audited and vouched from about the beginning of December up to the 31st of January 1869, were sent home monthly?—Yes, I have seen that; I have understood that that is the case; but Mr. Seccombe will be able to speak to that. He receives them, and forwards them to the Treasury, so I will leave that to Mr. Seccombe, who will give you the most positive information.

480. Did you ask for any account of that nature when you made out that estimate?—Only one of these accounts was received at the time the estimate was made.

481. Did you inquire?—Yes, I inquired if any accounts had been received from Bombay. The earliest that were dispatched, I think, were in the December accounts, and they had not arrived on the

the 13th of March. If they had, of course we should have resorted to them at once. I understand that there was one received September to December 1867, amounting to 170,000 *l.*; that was the only one received.

482. *Chairman.*] Is that a public document? —Yes.

483. Mr. *Seely.*] Did you estimate the cost of the mules per head?—Yes; I think we estimated that something like 20 *l.* would be the cost.

484. There was an estimate for the construction of a railway?—That I never saw, and I guard myself against that in the estimate. You will find in the estimate that I state that there may be expenses for telegraphs and railways which I know nothing about, so that might be added of course; it is a very large item.

485. Are you aware of the documents which have been laid before Parliament?—Yes; I think I have seen most of them.

486–7. Are there any other documents that have come under your notice, which have been printed for the use of the department, and which have not been laid before Parliament?—I believe that General Pears has been most careful to give every sort of information. (Major General *Pears.*) There are a great many more documents than have been called for, and which are available for the use of the departments when they are wanted.

488. Major *Anson* (to General *Jameson*).] In this item of 450,000 *l.*, there is an estimate for the purchase of pack animals; does that mean the total sum expended in the purchase of those animals?—Quite so.

489. Have you made any deduction in the estimate for the probable value of those animals when sold at the end of the war?—I considered that there would be some return; for instance, all the elephants, and, I believe, some of the camels, that were sent from India, were returned.

490. The 450,000 *l.* does not represent the sum actually expended in the purchase of animals, but it is a much larger sum than that, is it not? —I did not estimate any very large return from the sale of animals afterwards.

491. Are the Committee clearly to understand that 450,000 *l.* does not represent the money that was spent in the purchase of animals, but that there was in reality a larger sum than that actually expended in the purchase of animals?— There was a larger sum expended, I believe, but I am not aware how much it was; I did not anticipate that much would be received from the sale or return of the animals. In the Estimate that was laid before Parliament, dated 13th March 1868, I said, "It is found that many of these items, sea transport especially, were very greatly under-estimated; the transport alone is now shown to be very nearly 400,000 *l.* a month; this, however, might be very largely reduced by the discharge of vessels, amounting in number to 53 sailing ships, aggregating 28,773 tons, and which have been engaged in carrying elephants, camels, mules, ponies, and bullocks, as well as bulky Commissariat stores, such as grain, rations, pressed hay, bran, straw, &c."

492. *Chairman.*] Are you aware whether those vessels were discharged?—I am not; I never heard any more about it. I also observed, "At the termination of the expedition, there will be many stores, the removal of which by sea would cost much more than their worth. The provisions, grain, and hay will perhaps be consumed." I never dreamed that the expedition would terminate as it did so happily. There were stores which would have lasted up to the end of November for the sustenance of the troops, which was all dead loss.

493. Was that part of your original estimate? —No.

494. The first cost of those stores would be part of your original estimate, would it not?—Certainly not; the stores were being sent up to the time that it was known that Magdala was taken.

495. Did you count upon the continuance of the expedition as a possibility, and was not that part of your estimate?—Yes: and then the 600,000*l.* per month would have made the estimate much more accurate than it was. If it had lasted to the end of November, I think it would have been not very far out in anything, except the sea transport. Then I say here, "The provisions, grain, and hay will perhaps be consumed; but, if not, it appears to me that, with the exception of the grain and provisions, it would be economical to abandon, or if possible dispose of, what may be left. This remark applies to the baggage animals, with the exception, perhaps, of elephants, for their transport to India would far exceed their value, and in any imaginable case it would not be worth while to keep in monthly pay a large fleet of transports with the view of eventually carrying them back to India;" I mean by that, if 28,000 tons of transport could have been dispensed with by the sale of the animals.

496. Major *Anson.*] I understood you, in answer to a question put to you by the honourable Chairman, to say that one of the causes of the excess of expenditure over the estimates was that you received nothing for the baggage animals at the close of the war?—Quite so; there is no inconsistency in that, because if the transports, as I presumed, had been discharged, it would have been much more than anything that you could get for the animals.

497. *Chairman.*] Did you reckon upon their abandonment when you made the estimate?—I did.

498. Then how could their abandonment swell that estimate?—If there were 30,000 tons of transport that could be dispensed with in consequence of the animals being abandoned, it would be well to abandon them rather than keep them; but if the transports were there, of course I might fairly assume that they might have carried back the animals. The two things are quite consistent the one with the other.

499. Sir *Patrick O'Brien.*] At the time when you were making this estimate of the cost of transport to which you allude, and which you say was but an approximate estimate, were you aware whether or not there was an inquiry being made as to what would be the probable cost of tonnage at Bombay, as compared with the cost at home?—No, I never heard there had been any inquiry on the subject.

500. Then in short the evidence that you give here to-day, as far as regards your personal knowledge, is only hearsay, in respect to anything except baggage animals; is that so?—It was the best information that I could get from the department.

501. I expressed myself wrongly; I mean that you accepted the statements of the other departments, but that any knowledge that you yourself personally possessed, was merely as regarded the cost of baggage animals; was that so?—Merely

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as regards the cost of the baggage animals, and the rations of the troops, and the commissariat, and staff charges. You will see all the items except those connected with the War Office and the Admiralty.

502. You accepted the Admiralty statement with reference to the transport, and the estimate which you yourself formed was more especially with regard to stores and baggage animals; was that so?—Yes.

503. Then you state that you estimate the cost of mules at about 20 *l.* per head?—I think so.

504. When you did that, did you calculate that those mules would have been purchased in Europe or in India, or where did you imagine that they would have been procured?—A great number were to have been purchased in Persia, some in Italy, some in Egypt, and some in Spain.

505. Did you include in that 20 *l.* per head the cost of persons employed in their purchase, and the cost of transit to Abyssinia?—No; there is another item for that, there is purchase of pack animals, and then there is "feeding, attendants, and forage to the end of November 1867."

506. Are you aware that after the Crimean War, though the Crimea was very much nearer home than Abyssinia, it was found that the value of the animals was almost nothing?—No; I was in India at that time, and knew very little about the matter.

507. Mr. *White.*] Am I right in understanding from you that the preparation of this estimate was a duty extraneous from the office which you held?—Entirely so.

508. May I ask you whether, of your own knowledge, in the Indian Department there be or be not a person who would be responsible for the making of estimates and calculations of this sort in the case of a foreign war?—There was no person in the department that had any knowledge of the subject at all; it was a thing quite extraneous to the duties of any part of the department. The department is for India, and this was an exceptional expedition for the Imperial Government, of which we had very little information, and with which we had nothing whatever to do. The whole of the duties were entirely extraneous. Neither myself nor the other gentlemen of the department had anything whatever to do with it, except to do the very best we could to ascertain what the charge would be; but the information was so deficient, as it invariably is in all expeditions at the first, that I daresay we were very much out.

509. But we have had wars before in which there have been joint operations between the Imperial and the East India Company's troops; was not that the case with regard to the Chinese War?—You will find that there never was an estimate in one instance that could be relied on; and another thing is, that if the Indian Government had, as formerly, furnished the accounts spread over several years, the amount would have come to Parliament in small sums, and have looked very little. But they have so very rapidly made up the accounts, that it has all of a sudden come up to this immense amount. In a Parliamentary Return relating to East India revenues, dated 12th April 1859 (90, Sess. 2), moved for by Sir Erskine Perry, I find the following statements as to returns of the total charges borne by the Indian revenue: "Affghan War: the charges of the Affghan War enter into the accounts of many years subsequent to its termination; and as a very large proportion of the expenses is not separated from the ordinary military charges, it is not practicable, from the accounts, to form an accurate estimate of the cost of that war.—First China War: With the exception of the ordinary military charges of the troops sent from India, and of the steam vessels of the Indian Navy employed, the expenses were defrayed by Her Majesty's Government, and the estimate here called for cannot be rendered by this Office." That was a joint expedition. Then, as to the second China War: "The estimate here called for cannot be rendered by this Office. Persian War: No account of the expenses of this war has yet been received from India." (This is a long time, two years, after its conclusion, and no account has been received.) "But the extraordinary expenses of the war (that is, the expenses exclusive of ordinary pay and allowances of troops, and ordinary charge of Company's ships employed) have been estimated at 2,195,728 *l.*, of which one moiety was chargeable to India;" so that in every case there was no person in the India House that could furnish any estimates, from its being more difficult than even at present to ascertain what the charges were.

510. Major *Anson.*] That Paper from which you have quoted is dated 1859, is it not?—It is dated 1859, two years after the Persian Expedition.

511. Do you recollect how the accounts of the last Chinese War in 1860 were settled?—What became of them we never heard; it was settled between the East India House and the Treasury.

512. Did not the whole of the expenses of the China War of 1860 pass through the India Office?—Merely in the same way as the Abyssinian accounts do now; they were merely *in transitu.* They were sent to the India Office, and made over at once to the Treasury. I do not know how it was in the China War; all I can say is, that I framed a great many of them myself in Bombay.

513. Sir *Stafford Northcote.*] Were you at the India Office in 1860?—No, in 1861.

514. Major *Anson.*] Have you any idea how long it took to make up the accounts of the last Chinese War?—Seven or eight years, I should think, at the very least.

515. Mr. *White.*] Then I understand from you that there is not anyone in the India Office whose duty it is to make, and be responsible for, any estimate of a probable expenditure when we are engaged in a foreign expedition?—It was a duty that was never contemplated as belonging to the India Office. It was then cheerfully rendered; but it was perfectly extraneous at that time. There could not be a person responsible for a duty of that kind upon a totally new subject that we knew nothing about.

516. Then I gather from an answer which you gave early in your examination, that you were indebted to the "Bombay Times" for the data on which you founded your estimates?—Hardly that. There was a return, which was in General Pears' hands (and I daresay it will be forthcoming), which very nearly corresponded with that in the "Bombay Times"; and taking both together, I assume that it was correct, and I believe it was pretty correct.

517. Then would you depend for your information upon the "Bombay Times"?—Not entirely; but the return in the "Bombay Times" was a very authentic looking return. The tonnage

nage, the names of the ships, and the date of employment were given very correctly.

518. You took occasion to quote some paragraphs from Lord Napier's Despatch which appeared in the "London Gazette," and if I mistake not, you quoted those paragraphs to show why the ultimate expenditure so much exceeded the original estimate?—There is one very important element in the increase, and that is the fact that the constitution of the Transport Corps was such as to necessarily involve very great expenditure. It was not like a regularly organised military transport train, which of course could have been calculated and estimated; but it was an agglomeration of all manner of people of every nation, and some very bad ones by all accounts, and I believe even now (though of course that can be inquired into), the accounts of the Transport Corps are far from satisfactory.

519. In fact, those extracts were adduced to show that there was a much larger expenditure than could have been contemplated, were they not?—That there were exceptional circumstances occurring, of which we could have had no knowledge whatever, nor could not even have imagined anything of the kind, and that the whole thing was utterly different from anything known before.

520. Have you read the evidence that was taken before the Committee on Thursday?—I was present.

521. Do you not recollect that Sir Stafford Northcote, when he was examined, informed the Committee that Lord Napier, whose Despatch, which was printed in the "London Gazette," you have quoted, thought that the expenditure would be much less than Sir Seymour Fitzgerald thought it would be?—I cannot at all answer how Lord Napier estimated, but I do not think that he would know or could tell much about the expense that was incurred.

522. Captain *Beaumont.*] Do you consider that in the provision of a suitable amount of transport animals, a considerable excess ought to be allowed for, so as to provide against the contingencies of that particular service?—Of course there must be a certain excess always provided; but nobody could have well contemplated the amount of that excess from mortality and destruction.

523. Could you state the provision that you considered it was necessary in the present instance to make?—I think 10 per cent. in excess of what was required would have been a fair provision; and those might have been kept back and sent on as they might be required, and as Despatches from headquarters would show that they were likely to be necessary.

524. If I understand you rightly, the present estimate provided for 10 per cent., in addition to the quantity which the military part of the service would require?—Yes. In that statement which has been put in, giving the number for each regiment, for a battery of artillery, a regiment of cavalry, and so forth, there is the proper per-centage of spare animals included.

525. Can you state what proportion that would bear to the provision that was made in the case of the Crimea?—I knew nothing whatever about the animals in the Crimea, or at least I have no information that I could give to the Committee upon the subject.

526. You stated, if I understand you rightly, that the precedents of former wars were to the effect that transport animals always fetched a reasonable price on the conclusion of war?—I was not at all thinking of the Crimea; but on service in India, when we sent elephants, camels, bullocks, or whatever it might be, if there were no extraordinary circumstances, those animals were returned to the Commissariat almost in as good a condition as that in which they were sent out. There was a great loss in the Cabul War from disaster; but, generally speaking, we consider that the baggage animals would come back in very much the same state as that in which they were sent out.

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527. In the case of India, where there was a Commissariat to return them to, you state that as a fact there was but little loss?—Yes; in ordinary circumstances there would be very little loss.

528. That was because there was a commissariat to return them to; but do you think it was reasonable to expect that there would be a commissariat in Abyssinia to return them to?—I did not expect them to return, and I said that it would be better not to return them.

529. Do you happen to be aware that practically in the Crimea land transport animals were valueless at the close of the war; that is to say, that the experience of the Crimean war was to the effect, that the land transport animals afterwards had, practically, next to no value?—I have always heard that it was the case, but I know nothing about it.

530. Are you aware that in Indian wars the animals are hired by the Commissariat?—Yes; very often they are.

531. Are you aware of the amount of the loss which took place with respect to the transport animals at Delhi?—Those are entirely exceptional cases; of course, I do not know anything about the loss at Delhi; I alluded to ordinary expeditions, and not to the Mutiny or the Cabul disaster, or anything of that kind. Of course, it is impossible to say what would occur, or what would not occur, and the Abyssinian Expedition is very much like that expedition, so far as the baggage animals are concerned.

532. Is this which I hold in my hand the last Estimate which you prepared?—It is.

533. This Estimate provides for the expenditure, under certain heads, up to the 31st of May, and it also gives an Estimate for the future monthly expenditure; does it not?—It does.

534. Will you be able to fill in another couple of columns in this Estimate (at your leisure, of course) of the actual expenditure, so that the two might balance one against the other?—I do not think that they would bear any proportion at all to each other. However, the Treasury have the correspondence, and Mr. Turner is well conversant with the accounts, and perhaps he would fill that in. I have not a single account or record by which to do it. It would require an analysis of the whole of the Abyssinian accounts, which is a labour which had better be undertaken by the Treasury, I think, to whom those accounts belong.

535. There are certain parts of this Estimate for which I think, in your answer to the Right honourable Baronet, you said that you were responsible?—As far as I was able to judge; but it is a mere matter of opinion, or of judgment. I commenced by stating that I had no reliable data, and that I merely entered upon that Estimate with a view of assisting the Secretary of

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State in forming an idea of what the expenditure would be.

536. With regard to those items, for the details of which you were responsible, and which you thoroughly understood, could you put in an analysis of the way in which your opinion or your Estimate was made?—I never kept anything of the kind. It was merely a document for the Secretary of State at the time, and I cannot furnish the details. Even the returns which I got from General Pears or Mr. Seccombe were all sent back immediately, and it was not even a record of my department; but I did the best I could under the circumstances. I have not the least wish to say that I am not responsible, but merely that I had no means of coming to an accurate conclusion.

537. But would it not rather assist matters if, in place of answering questions in detail here, you could put in a statement of that kind, the details being filled in either by yourself or somebody else?—Although in the aggregate the Estimate may not be far out, if the charges after the 31st May are taken, I do not think that any sort of comparison could be made such as the honourable Member suggests. I do not think that it is possible.

538. Do you think that a direct comparison of that kind between the actual cost and the estimated cost is impossible?—I think that it is impossible, from the nature of the accounts which are usually furnished from India.

539. *Chairman.*] You have not seen the accounts as they have come home?—No.

540. In the absence of those accounts, do you feel yourself in a condition to say that the preparation of such an analysis as has been suggested would be impossible?—I never intended to say so; but I say that when you get it, it will most likely not correspond in any one item.

541. Mr. *Mundella.*] You stated, did you not, at the outset of your examination, that you had formerly been successful in making approximate estimates, and that you still hoped that it would be proved that you were so in this instance?—I merely intended by that to say that when all the charges, the rations, the transport, the destruction of stores, and the loss by animals, and everything that occurred after the 31st of May which could not have been contemplated, is included in the Estimate, it will not be found so far out as may at first appear.

542. You stated also that you derived your approximate estimate of expenditure on sea transport from the "Bombay Times," did you not?—I have answered that question two or three times; I got a return from General Pears, I think, of the transports actually engaged at the time up to the latest date procurable, and there was a statement in the "Bombay Times" which very much corresponded with that, they agreed together.

543. But at the outset I understand that you stated to Sir Stafford Northcote and the Chancellor of the Exchequer, that your estimates were purely conjectural; was that so?—I said that they could not be relied upon, as we had not information so as to furnish proper and correct estimates, but I think they will be found to be not at all so far out as may be imagined if the charge after the 31st of May is added to the 5,000,000 *l.*

544. Then did you contemplate no charge after the 31st of May in your Estimate?—Certainly; I never thought that the Expedition would be over by that date. We all looked for a campaign of another year, and in that case the Estimate would have been much more approximate, because all the stores would have been used up, and no others would have been necessary.

545. But it was stated in the House of Commons that the Estimates were based upon a calculation that the war would terminate at the end of April; it did terminate at the end of April, and consequently your Estimate and the actual time which it took agreed, did they not?—I never meant anything of the kind. Whatever charge occurred after the 31st of May was intended to be extra, though perhaps it is badly expressed.

546. One of the great causes of the increased expenditure, I think you say, is the excessive cost of the pack animals and the loss upon them?—Yes, and also the enormously increased establishment which it was necessary to make to the Transport Corps after that date.

547. I find an estimate here for the purchase of pack animals, of 450,000 *l.*; that is a very large sum, is it not?—It is a very large sum.

548. You take that as a dead loss; you make no allowance, I see, for any rebate on the future sale of those animals?—Of course we would not when the Estimate was made; I should be very glad to see anything come which was not anticipated.

549. Then the difference between the excess and the expenditure arose, not from the fact that the mules were not re-sold, but that the cost exceeded 450,000 *l.*; is that so?—I mentioned in the Estimates (and I have quoted it also in evidence) that to take the pack animals back, there were 28,000 tons of sailing transport at Zoola, and that might be dispensed with, which of course would be a set-off against the loss of the animals.

550. I think you also attribute to the brutal conduct of the muleteers, some of whom were "the off-scouring of the Bombay streets," and to their inefficiency, the loss of animals which was experienced?—I quoted a Despatch to that effect to Lord Napier.

551. Do you consider it good management to have sent "the off-scourings of the Bombay streets" to act as muleteers, that being really a skilled occupation?—In such cases you are glad to pick up almost anybody, and it is very difficult to get people for the purpose.

552. Do you happen to know that the only really efficient land transport was the Punjaub mule train?—It is so said; but that is not a question of estimate at all, and it is not in my way.

553. With respect to the return of the shipping during the south-west monsoon, that could have been foreseen at Annesley Bay, could it not?—It could not have been prevented, because by the time the troops got to the coast it was well on in May, and the south-west monsoon I think sets in on the 15th of May.

554. *Chairman.*] But that was known beforehand, was it not?—It was known beforehand.

555. And it was expected that the Expedition would terminate about that time; you made your Estimate, did you not, on the supposition that it would terminate upon the 31st of May?—No; the first Estimate was made up to a certain date, and so was the second.

556. You knew that the monsoons were in May, did you not, when you made that Estimate?—But

—But I never anticipated for a moment that the Expedition would terminate at that time; I merely said, "You may go to Parliament, and ask for 3,000,000*l.* up to the 31st of May, and at least 600,000*l.* a month after that." All charges after that date were, of course, beyond the Estimate, whatever they might be.

557. Mr. *Mundella.*] But it must have been known, when the vessels left Annesley Bay, that they would arrive at Bombay during the south-west monsoon; was not that so?—Decidedly; I suppose, at least, that everyone who knew anything about it must have known that.

558. Then they might as well have thrown the stores over in Annesley Bay as have thrown them over at Bombay, might they not?—Certainly.

559. And then they would have saved all the demurrage which occurred at Annesley Bay would they not?—Yes.

560. Mr. *Holms.*] I think you have stated, that though this was entirely extraneous to your Department, you had been asked by the Government to frame such an Estimate, because you had framed many such Estimates before, and had generally been successful in such Estimates?—I had been occasionally in the habit of framing Estimates for military expenditure of all kinds for 20 years, and I had tolerable success; but I never had to frame an Estimate for anything like this Expedition. In the case of the Persian war, I think we got very near to it. When a force went from Bombay I had to give information so as to provide funds at different places for the different forces, and I do not believe that I ever was much out.

561. Then the Government depended upon you generally for the correctness of this Estimate, did they not?—Certainly, they depended upon the information which I was supposed to possess, or perhaps which I thought that I possessed and did not possess.

562. But they depended upon you not only for your own information, but also for the information which you would collate from other departments, in order to furnish them with the gross Estimate, did they not?—Of course all the authorities at the India Office, and General Pears, and Mr. Seccombe, and myself, were anxious together to make the very best of it that we could.

563. Did you consult with anybody except General Pears?—No; I do not think that there was anybody who could have helped us in the matter, it was so perfectly new, and difficult.

564. You stated also that you had almost no data for the first Estimate, that was the Estimate of October; and that you had also very few data for the Estimate which was made still later in March; what means did you take to obtain any information between those two periods of October and March?—The Secretary of State can himself answer that he employed every means, by writing and telegraphing I suppose, to get information from the only people who could possess it, and I believe they possessed very little at the time; so that we really had no means of ascertaining what the charge would be. There was nobody in London, who I could conceive would give us much information upon the subject, or I did not know of anybody. If it had been suggested that there was anybody whose experience and advice would be useful, I would have gone thankfully to have asked his assistance.

565. All those documents were signed by you officially, were they not?—That is a mistake. I am in the habit of signing in the same way everything which goes up from me to the Secretary of State, and I signed it perhaps without thinking; but it was not a document which belonged to my Department, and therefore I never believed I had any further responsibility than furnishing the best Estimate I could to the Secretary of State.

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566. Did it strike you that the charge of 3*l.* 10*s.* per ton for coals was excessive?—I do not think it is excessive. The coals at Aden, I think, are generally furnished by the Peninsular and Oriental Company for about 60*s.*; and sometimes they have been as high as 70*s.* a ton. Considering that there would be a great demand, I think 3*l.* 10*s.* was a very fair calculation, and I believe it has been much more.

567. Who furnished the coals?—There was a contract with the Peninsular and Oriental Steam Company; and I believe in Bombay they were picked up in every possible way, and at Suez also. Perhaps General Pears can tell you more about that. The Admiralty furnished that Estimate.

568. Are you aware that coals are carried just now at the rate of something like 34*s.* a ton to the Mauritius?—I recollect their being carried to Bombay at the rate of 28*s.* a ton at one time, but latterly it has not been so.

569. Then did you sign this account, although the charge is 3*l.* 10*s.*, without making any inquiry as to whether that was the proper amount or not?—Not at all; I estimated the price which we paid at Aden, and supposed that all the coal used in the Abyssinian Expedition would not be less in cost.

570. With whom were you in communication most frequently and most directly, as regards the Admiralty and the War Office, for their accounts?—I was not formally in communication at all with either the Admiralty or the War Office, but General Pears or Mr. Seccombe procured the information from one or the other.

571. Mr. *Eastwick.*] With reference to this statement: "Estimating followers on the new reduced scale of one per man, it will double the above numerical amount"; at what rate did you calculate followers for the troops?—It was stated that Sir Robert Napier was so determined to move with a very small force, that he would take the smallest possible number of followers, and get rid of the others; that was the impression which I had.

572. And you calculated them at the rate of one follower per fighting-man?—Yes.

573. And you call that "the new reduced scale"?—It is not "new," it is a misprint for "now"; I think Sir Stafford Northcote will recollect that it was said at the time that Sir Robert Napier was determined to put four or five officers in a tent, and to have no followers, and very little carriage.

574. Was that proportion of followers very much smaller than the proportion of followers allowed in the Affghan Expedition?—Very much less. There was no stint there, because it cost comparatively little. There was no difficulty there in getting as many coolies, and bullocks, and carriages as you liked, but in the Abyssinian Expedition, so far as I was informed, they were to go on a very limited scale, and the followers were to be reduced to a minimum.

575. *Chairman.*] The number of people which would be sent would, I apprehend, be communicated

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nicated to you? — I had not a single word of instruction; I merely heard it in conversation with Sir Stafford Northcote and the other members of the India Office.

576. Mr. *Eastwick.*] But, in point of fact, did not the rate of followers to fighting-men very much exceed your Estimate?—Very much.

577. In point of fact, in the proportion of about five to one?—Not so much as that: but I should say about two or three to one.

578. The total number of men landed in Annesley Bay was about 60,000, was it not, reckoning followers and all?—General Pears will be able to answer that question better than I can, for I have never had the Returns.

579. With regard to the Estimates which you made previously, they related chiefly, I suppose, to land expeditions?—They related to the Persian Expedition (Sir James Outram's Expedition).

580. Had they any reference to the China Expedition?—No: I merely estimated the Indian navy, and the ships that went, and any troops or Commissariat stores which were sent.

581. Then the Persian Expedition was the the only Expedition which at all corresponded to the Abyssinian Expedition, was it not?—It did not at all correspond with it. One element in the total amount which I put down of 5,000,000 *l.*, made it two and a half times as much as the Persian Expedition. Seeing that it came to that, allowing for increased transport, and seeing that Mr. Turner, the officer on the spot, estimated a smaller sum than I did, of course I conceived that I must be right.

582. Sir *James Elphinstone.*] I think you stated that about the month of March, they might have discharged 53 sailing ships with 28,000 tons?—Yes.

583. Those ships, I suppose, were all taken up at Bombay, Bengal, and different places, and they would not have been fairly discharged until they arrived at those points?—I suppose not; they would have got down with the south-west monsoon very quickly.

584. You had no power of discharging them at Annesley Bay, had you?—I believe not.

585. *Chairman.*] But that would be a condition of the charter, would it not?—Yes; so far as I recollect, there were some engaged for four months, and some for six months. I think that the Admiralty vessels were engaged for six months, and of course it would have been tyranny almost to have discharged any vessels at Annesley Bay. I think you could not have done that under any circumstances; even if the four months were out, you must have sent them back and paid them to the date of their arriving in harbour.

586. Would you have done that if it had not been a condition of the charter?—I suppose it was an implied condition.

587. Sir *James Elphinstone.*] Would you have got any ships at all if you had not made that a condition?—I am not able to answer that question; I do not know the conditions of the charter; I would not for one moment say that there was a single ship more than should have been; I am not finding the least fault; my only object is to justify Sir Stafford Northcote's Estimate.

588. *Chairman.*] In point of fact, you do not know whether there were, or were not, too many ships?—Certainly not; but the presumption was that there were too many ships if you determined beforehand not to take the animals back at the end of the Expedition.

589. Sir *James Elphinstone.*] Is there any campaign that you ever heard of which was similar, or in any degree similar, to the Abyssinian campaign?—No, none in the world that ever was heard of; there was very little to eat and almost nothing to drink, and the country was perfectly unknown. I think the provision which was made was perfectly wonderful; it was quite impossible to know what would be necessary, and day by day the expenses were increasing.

590. The force was launched on an arid saline plain, with brackish water, and they had to make their way to a narrow defile at the bottom of the hills, where there was the first fresh water they could get?—Quite so.

591. And there the whole of the baggage animals were concentrated, were they not?—Quite so.

592. So that until the difficulty was overcome by wells, the change of food, the brackish water, and the release from constraint on board ship would necessarily lead to a very great loss of animals, would they not?—Quite so.

593. Do you believe that there is any military organisation, in this or in any other country, that could have made even an approximate estimate of the expense of the Abyssinian war?—I believe not; we did not know at that time; and now that we see the result, nobody could have estimated or imagined what it would have cost, and I question very much now if you know what the total expense will be.

594. *Chairman.*] Where is any further expense going to come from?—There will be a number of accounts coming in, and I think you need not at all calculate upon what you have heard as being the ultimate cost.

595. Sir *James Elphinstone.*] The present forward state of the accounts is very extraordinary, is it not, under the circumstances?—It is very extraordinary and very unusual, and I think extremely creditable to the Bombay Government; they were very anxious to furnish the Secretary of State at the first possible moment with the expense, and they have worked hard, and certainly furnished an account which I believe is unprecedented in any expedition, as far as rapidity is concerned.

596. Are you not aware of any expedition which ever took place in which the accounts were so rapidly rendered?—No; similar accounts have never been rendered for a much longer period; they have generally extended over many years.

597. But in every case the expenses exceeded the expectations of those who went into the calculation, did they not?—In every instance. In regard to the Crimean expenditure, I find from "Hansard" that on the 2nd of August 1855 Mr. Frederick Peel, speaking of a Supplementary Vote of 3,000,000 *l.* which was asked for, said this: "It has been observed that the circumstance of Government having to ask for so large a Supplementary Vote indicated a want of foresight in the arrangement of Estimates; but it must be remembered that the nature of the services which were to be provided against out of the proposed Vote was necessarily and unavoidably so uncertain as to render it impossible to make anything more than a conjectural Estimate. The Estimate for an army could be accurately ascertained, the number being known and the charge

charge for each man fixed, but it is quite a different thing with the Commissariat, the bulk of which charge depended upon circumstances which were constantly varying."

598. *Chairman.*] Was Mr. Frederick Peel a professional man?—He was Secretary to the Treasury. With regard to animals, before the month of May, there were 1,500 animals; on the 1st of May there were 2,500 animals; on the 26th June there were 7,000 animals, and from that time the number continued considerably to increase, so that there was no knowing what they would be.

599. Sir *James Elphinstone.*] Do you remember the 10th Hussars going from India to the Crimea?—I do.

600. They were very well mounted, were they not?—They were very well mounted.

601. Can you tell me about what would be the value of their horses?—About 650 to 700 rupees each; that is, from 60 *l.* to 70 *l.* each.

602. Are you aware that those horses were disposed of in the Crimea, and that the regiment was brought home dismounted?—I have heard that they were of very little value.

603. The position in which the war was carried on in Abyssinia you have stated to be entirely different from any other campaign you ever heard of; was there any port whatever in the Red Sea nearer than Suez from which supplies could possibly be brought?—To a very small extent.

604. Then supposing that Lord Napier's first idea of the campaign, of going in such very light marching order had been carried out, would it have been possible to have carried the sick or wounded in the event of an action?—As it happened there was very little sickness.

605. But supposing sickness had taken place, what would have been the result?—Of course I cannot judge of what would have been necessary.

606. Would he not have been very much embarrassed for transport if he had had a less transport than he had, supposing sickness had broken out on the line of march?—There is one of the transport officers here, Colonel Holland, who will no doubt be able to answer that question.

607. Does it consist with your knowledge that Sir Seymour Fitzgerald estimated about the middle of April that the expenses of the Expedition might amount to six millions of money?—I never heard that at all until I heard it on Thursday from Sir Stafford Northcote.

608. Your Estimate up to that time was five millions, was it not?—The Estimate up to that time was five millions. I think the first time he mentioned it to me was about September or the end of August; he said, "Your Estimate is sadly out; there will be about seven millions expended, I think." I said, "I am very sorry to hear it; we have done the best we could, but I said there would be a good deal of expenditure after the 31st of May."

609. Your Estimate was up to the 31st of May, was it not?—My Estimate was up to the 31st of May, and after that time I heard in September that it would amount to seven millions, and that has gone on from time to time. I estimated five millions up to the 31st of May.

610. And 600,000 *l.* a month after that?—£. 600,000. a month after that, until the whole of the establishments were discharged; of course they would be gradually reduced till it came to *nil*; I believe they are not all discharged now, there may be some establishments to bring up accounts, &c., long after the termination of the campaign.

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611. Would you have supposed it possible that they could have been discharged under four months from the 31st of May?—I could form very little opinion upon that subject: I thought the troops would come back very quickly with a south-west monsoon blowing favourably to Bombay, and I did not at all anticipate that the transports would be so long detained.

612. You did not anticipate that the whole military operations would be over by the 31st of May, did you?—No; I do not believe anybody ever thought of that. It was a surprise.

613. So that in making your estimate of 5,000,000 *l.* up to that time, most reasonable men would have supposed that at least four or five months' expenses would have been incurred after that time?—Of course; as a vote of credit, as it were.

614. Taking it at four months, that would be 2,400,000 *l.*, and that would bring it up to 7,400,000 *l.*; then the difference between that, and what has been actually spent, is how much?—£. 1,300,000.

615. *Chairman.*] But you say you are under the impression that there are transports yet employed?—So they say; I would explain this, that ships may possibly be yet employed to convey heavy railway or other stores to the place of final destination, but I have no information on the subject.

616. Then you do not, of course, reckon the expenditure as being terminated yet, and you will therefore reckon the 600,000 *l.* a month as going on still?—I hope I have not given that impression. I would say that the first or second month certainly would go on at 600,000 *l.*, and perhaps even the third month, or, as is suggested here, the fourth; and that from that date it would gradually decrease till it came to *nil.*

617. Sir *James Elphinstone.*] But this 1,300,000 *l.* is the sum that we have to account for before this Committee, is it not?—I can hardly tell yet, until you have ascertained the expenses after the 31st of May.

618. Did you calculate nothing for the loss by demurrage of transports, the loss of stores, and the winding up of an expedition of that sort, costing a great deal more in the last months than the normal 600,000 *l.* a-month?—No; I never contemplated that they would send many animals at the time, and that they would put pressed hay, and grain, and all manner of things that were very bulky, and very difficult to get out in the Bombay Harbour. However, I suppose Sir Edward Russell was the officer who superintended the embarkation, and he will be better able to speak to that point.

619. *Chairman.*] Is he in this country?—He is; he was the political agent at Aden.

620. Sir *John Hay.*] Is it a correct expression with reference to the calculation of the necessary funds to provide for a war before the war is undertaken, to call it an Estimate?—It never should have been so-called; it was a mistake; it should have been a vote of credit. My signing the Estimate as I did was only intended as authenticating in the usual form memorandums to the Secretary of State; I had no idea whatever that it was to be presented to Parliament as an official document.

621. What was understood to be obtained from you for the information of the country; was the amount

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amount of money that would be required for the current expenditure of the war, was it not?—Exactly so; up to a certain date.

622. War means waste, I suppose?—Of course.

623. In the first place, waste of life, and in the second place, waste of money?—Enormous waste of treasure.

624. And the waste of money is generally in the saving of life, is it not?—Quite so.

625. In making your calculations would you be surprised to find that the actual cost per month of the sea transports when brought to account, was 433,000 *l.* per month?—I think our estimate was wonderfully accurate if that is the case, because they were hiring transports at Bengal, at Suez, and at Madras, of which we had no knowledge whatever, and the difference would make it quite exact.

626. Did you calculate in your estimates that 62,220 persons would be employed in this service in Annesley Bay and the Red Sea?—I never knew that; I never had any return of the kind.

627. Would you be surprised to find that before the fall of Magdala 24,389 persons had been sent away in ships, and in various ways reduced from the service?—It was that which I thought of in estimating the followers. It was said that Lord Napier was reducing them enormously and sending them away so as to avoid expense.

628. Are you aware that 4,000 persons were sent away either sick or dying?—I was aware that every person was sent away that could possibly be sent. I understood that Lord Napier was reducing the number of followers to the lowest possible limit, and of course I calculated a great deal upon that.

629. With reference to an answer which you made to the honourable Member for Penrhyn and Falmouth, you calculated a certain number of followers, did you not?—Yes, you will find them in the Estimate.

630. Did you in your Estimate calculate 13,164 fighting men to be landed at Annesley Bay?—I calculated for 12,424.

631. Then you calculated for less than the number actually landed, did you not?—I calculated for less than the number actually landed, but the number actually landed at that time was said to be exactly that number.

632. With reference to the supposition which you entertain, that the cost of transport might be reduced by the sending away of certain transports, are you aware that transport was only retained for 9,462 animals, and that 7,421 were shipped?—I was not aware of those facts.

633. Are you aware that there were no more transports there than were required for the necessities of the service to take away the troops, and the stores, and the animals?—I would not say for a moment that there was one ship more than was necessary, under the able supervision that there was there; I never thought of saying that a single ship more than was necessary was detained; I am certain that the very best was done.

634. *Chairman.*] You infer that the very best was done for the carriage of the men there?—I have the most perfect confidence upon the point.

635. But you can give no evidence upon the subject?—I cannot. The estimate of the transports, and the actual expenditure as now stated, appear to be very nearly the same.

636. But you told me some time since, did you not, that you were greatly astonished to find that the number of transports had been increased beyond what you first expected?—Quite so; that is when we first estimated.

637. Sir *Stafford Northcote.*] You have stated very truly that the business of making an Estimate did not lie with you?—Not in any way.

638. But that you undertook it at the request of the Secretary of State; you gave all the information that you were able to give, and you called attention to the imperfection of the grounds upon which you proceeded to give that Estimate; and upon that the responsibility rested, did it not, with those who formed that Estimate upon the information given by you?—Quite so. In handing them in, I said they were given for as much as they were worth; that was all.

639. With regard to one point upon which you have been questioned; this Paper which I have put in through your hands, but which you have not seen since it was written, was prepared on the 11th October; it is in your own handwriting; will you read that passage (*handing a paper to the Witness*)?—"The cattle must die in great numbers, and when returned will sell for scarcely anything, for the voyage on board transports tells very heavily on the animals. The pressed hay and Commissariat provisions of all kinds will be worth very little if returned, and, with few exceptions, I would not calculate much on the proceeds of returned stores. Ordnance and Engineer stores, including, of course, guns and small arms, will be valuable."

640. Then, so far as you were concerned, you called the attention of the Government to the fact that they must not reckon upon any return from animals or from stores, did you not?—Certainly.

641. *Chairman.*] But you forgot that, did you not, when you answered previously that you reckoned the animals returned at 20 *l.* a-piece?—I did not reckon those that were not returned at 20 *l.* a-piece.

642. Sir *Stafford Northcote.*] The paper which you gave us to found our estimate upon was in fact, so far as it related to animals, an account showing what the cost of animals had been; and if you had intended that we should take into account any return, that would have been shown in a separate item as a rebate; but there was no such item shown, was there?—No; there was no such item, but I hoped that there might be some return, notwithstanding all this.

643. You may have hoped it, but did you state it in the Estimate which you presented?—No.

644. And therefore when it turns out, in fact, that there was no return, that justified so far the Estimate which you presented, does it not?—Yes.

645. With regard to what you have quoted from a paragraph of Lord Napier's Despatch, which is published in the "Gazette," as to the great waste of animals, did not that refer to another matter which you had not foreseen, viz.: that there would be a great loss of animals immediately upon their landing?—That loss of animals necessitated the continual purchase in Abyssinia of new ones, and also procuring others from the outside. That was another element in the expense. Not only were the animals that first went of no use, but the very great losses which occurred rendered it necessary to buy animals in Abyssinia, perhaps at any price,

price, and to send them on from other quarters as they were required.

646. Then your statement that a greater expenditure was incurred on account of the unexpected loss of animals from the circumstances mentioned by Lord Napier, is not at all inconsistent with the statement that you made in the first instance, that we must not expect to receive much back?—Of course, I expected something.

647. But your statement is consistent, and the additional expense in the transport animals arose to a considerable extent, did it not, from our having to purchase more in consequence of the loss of animals very early after their arrival in the country?—Quite so.

648. Was this a circumstance that you did not take into account, and could not take into account?—I could not.

649. With regard to the number of the force and the number of followers, you stated just now that you had heard that Sir Robert Napier proposed to take a small number of followers, but in point of fact was it not the case that we received official memoranda from the officers of the Bombay Army, the Commissary General, and others, stating precisely what the number of followers and others was intended to be, and did not those returns show that they contemplated at that time a much smaller number of followers than they actually took?—I recollect receiving the memorandum on page 268 of the Blue Book, at the time, and in addition to those you mentioned that Lord Napier was exerting himself in every way to reduce the expenses by sending back followers.

650. Therefore, at the time that you framed your estimate, if we may call it so, had you not reason to believe that the number of followers would be considerably smaller than it ultimately proved to be?—Certainly; even by that return it is about the same as I had stated; I must have taken the statement from that.

651. You have had experience of former expeditions, and you say that your estimates for those expeditions had proved correct, were not those estimates for those expeditions made when you were on the spot where the expeditions were organised?—When I was Military Auditor General at Bombay, there were expeditions fitted out in India and detachments sent out in different directions.

652. It was therefore much more easy, was it not, for you to form correct estimates under such circumstances than when you were estimating for an expedition to be organised not under your eyes but at the distance of India from England?—Precisely; at Bombay we knew every circumstance connected with the organisation, and every day the orders of the Government were sent as to the numbers to be employed, the contracts to be made, the animals to be procured, and the ships to be hired.

653. In fact, the information that you were able to give us, though it was the best that could be got upon the spur of the moment in this country, was not as perfect, and could not be as perfect, as that which you could have had upon former occasions in India?—I never pretended that it was so; it was merely given for as much as it was worth. I never conceived that it was to be taken as correct.

654. *Chairman.*] But those wars, respecting which the Right honourable Baronet has asked you, cost more in every instance than the estimate?—I think I never knew an expedition, small or large, that did not cost more than was anticipated.

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655. You know something of the Persian war, do you not?—Yes; I think we were then pretty accurate.

656. The Burmese war cost more than the estimate, did it not?—Yes; we merely sent small detachments there.

657. Then you had, from much experience, this fact before you, that all previous wars had cost more than their estimate, had you not?—True, they have.

658. Was not that an element in the estimate which you have now made?—It was.

659. How much did you add for it?—The Persian war, which lasted for about the same time, amounted to about 2,000,000*l.*; the estimate that I made in this case was as much again, and 1,000,000*l.* over. It was once-and-a-half more than the Persian war; and then, looking to the return by Mr. Turner to Mr. Hunt being far under mine, I thought that I should be very safe.

660. The experience you had got would, one would have thought, have enabled you to have estimated the cost of this war with tolerable accuracy?—I thought that I had estimated largely at the time; really, in good faith, I thought I had given the very utmost.

661. Your estimate of five millions was on the supposition that the expedition would terminate on the 31st of May, what idea did you attach to the word "terminate," in that estimate?—That the expense would terminate, if the establishments terminated, and nothing else; that this 600,000*l.* a-month would terminate on the 31st of May, or as soon after as the establishments should be discharged. It certainly is not clearly put; it never should have been stated in that way, but my impression at the time was that the Expedition would last very nearly to the end of the year; I never contemplated for a moment, nor I believe did anybody else, that it would terminate sooner.

662. Do you know what portion of the expeditionary force had left Abyssinia on the 31st of May?—I suppose a small portion, but General Pears will state.

663. When did Sir Robert Napier get to the coast homeward-bound?—General Pears will be able to give you dates.

664. But you would expect the expenses to diminish from the very time that the column was on its return march, would you not?—From the moment they arrived at Bombay there would be a diminution, of course.

665. Not previously to that?—I think not; the staff charges would be immediately swept off from the date of the officers landing, but even in that case, the commissariat and land transport officers are often allowed several persons on their full salaries to make up their accounts.

666. Are you aware that the bulk of the expeditionary force was at Bombay before the month of June?—I am not aware of that.

667. If that be the fact, would you not expect that from that time the expenses would be found very greatly to diminish?—The staff landing and the establishments landing would of course diminish the expense, but the transports were still kept up.

668. Do you know why they were kept up after the landing of the columns?—I suppose in some cases it was impossible to clear them.

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669. Could you have conceived an expedition to have been more successful in its object, and to have achieved that success more promptly than this expedition did?—It is perfectly impossible to conceive anything more successful or more prompt.

670. Then the ultimate cost was not increased by reason of any failure in that direction?—Certainly not.

671. Then must not any increase of expenditure have been owing to incidents occurring within what was originally contemplated as the period during which the war would last?—No, beyond the time of the delay that occurred in discharging all the establishments and transports beyond the 31st of May.

672. But it was not owing to any delay in the accomplishment of the great work of the Expedition, was it?—Certainly not.

673. Are you aware whether the Committee can have the estimates which were furnished to you by the departments, and on which you calculated the total estimate?—I suppose so. I returned the documents the moment I had done with them.

674. I believe that your own judgment indicated some of the items in the estimates?—Yes.

675. And you will have the documents upon which you based that estimate?—No, I have not a document connected with it.

676. Where are your own documents?—I never had any; I jotted down at the time all those different things with the greatest care.

677. Have you those jottings?—I do not know where they are gone to.

678. You can recall them, however, can you not?—I have told you where I got the transport, and it appears to be very correct. I got some other things from the Finance Department, and some from the Military Department, and I have put them together as I best could. I never kept a record, or understood that I was responsible for the thing at all.

679. When you made your final estimate of 5,000,000 *l.* in March, you had a tolerably full knowledge of the conditions under which the force was in Abyssinia, as to the supply of water, as to the supply of forage, as to the produce of the country, and the nature of the country, had you not?—No, we had not until long after that information. Sir Robert Napier landed on the 3rd of January, and this was only the 13th of March.

680. You knew, however, that the plain on which they landed was sterile, and without water?—Yes.

681. You knew then of the destruction of mules in consequence of the want of attendants to receive them on landing, did you not?—I was not aware of the existence of it. That was mere report at the time; there was no information on the subject.

682. The want of water, and the necessity for bringing it, and for sinking for it, and for distilling it, was known to you then, however, was it not?—Yes.

683. Then that want could not be an excuse for the increased expenditure over the estimate made after that time; your March estimate would contemplate that condition of things, would it not?—Quite so.

684. Did I understand you to be putting forward, as a reason for the increase, the fact that they could not get water, the sterility of the country, and the fact that they landed on a plateau where everything was desert?—That was known at the time of the estimate, and, in consequence, it was made very large.

685. Those facts, then, cannot now be put forward, I presume, to account for the expenditure being greater than the estimate?—At that time we knew nothing beyond the advanced post of Senafe; there had been no advance.

686. But all the disadvantages under which the Expedition laboured between the sea and that point were known to you when you made that estimate, were they not?—Between the sea and Senafe it was pretty well known.

687. Then would you not concur with me in this, that those disadvantages then known to you will not account for the increased cost upon the estimate which you then made?—No, but there were disadvantages afterwards; for instance, the march from Senafe to Magdala.

688. What is the distance to Senafe from the point of debarkation?—I think it is about 70 miles.

689. The loss of the mules, the want of water, and the necessities of the Commissariat Department, were known to you when you made your final estimate, were they not?—Not at all; it was merely known to a certain extent.

690. To what extent?—As far as I had information, the supplies were going on to Senafe very quickly. During the time of the advance the dollars were very freely spent in Abyssinia for the supply of the troops. The Abyssinians got whatever they chose to charge. There was local carriage picked up to an extent that we could have no knowledge of; and all the time, from Senafe to Magdala, there was a large expenditure going on that nobody would have formed any idea of.

691. But the unfavourable character of the country, and, indeed, its exact condition up to Senafe, was known to you when you made your final estimate, was it not?—Not its exact condition, indeed very little information on the subject.

692. Mr. *Mundella.*] I understood, from your answers to the Honourable Baronet the Member for Portsmouth, that your estimate of 5,000,000 *l.* was only up to the end of May, and not to the completion of the expedition?—Yes.

693. Then you did not contemplate the completion of the expedition at the end of May, did you?—Certainly not.

694. It simply was a rough estimate up to that date?—Yes.

695. Is the amount spent less than we might fairly have calculated upon in your opinion?—I do not quite understand the question.

696. Although everything went so favourably and terminated so early, and everything, so far as you believe, was conducted as well as it possibly could be conducted, considering the circumstances of the country, yet we might reasonably have anticipated a larger expenditure than has really occurred, and if we had met with any obstacles, if the force had been harrassed upon its march, for instance, the war would have lasted longer, and the expenditure would have been much greater, would it not?—The eventual expenditure would have been much greater, in the aggregate, but in many points there would not have been so large an outlay of money, because there were provisions enough to feed all the troops until November, which, instead of being lost, would have been used, and had actually been already paid for.

697. But still the transports would have been detained,

detained, and the cost of demurrage would have gone on, would it not?—Yes.

698. And all the staff charges and batta, and so on, would still have gone on, would they not? —Certainly.

699. Then if it was stated to the House of Commons that 5,000,000 *l.* was the estimate of the total cost of the war, was not that statement incorrect?—Certainly; I never stated that or thought it, and I never imagined it possible, nor did Sir Stafford Northcote. I was in communication with Sir Stafford Northcote, and I saw his anxiety to get at the probable charge; he certainly never fancied that that would be the whole cost.

700. Sir *Stafford Northcote* (to Mr. *Seccombe.*)] Could you state to the Committee under which circumstances the estimate of March 1868 was prepared?—The estimate was prepared to afford the Secretary of State for India the best information which could then be given as to the probable expenditure up to a certain date on account of the Abyssinian Expedition; we were aware that the information for making such an estimate was exceedingly incomplete; the letters which we had from India were of little use for such a purpose; the information obtainable from the public prints and from the advices which we had as to the number of transports taken up was imperfect and frequently conflicting, and General Jameson, as the most experienced officer in the India Office in matters of that kind, prepared the statement, which forms the second part of the estimate which was subsequently laid before Parliament. At the outset of the Expedition, the Secretary of State requested that an estimate for the ensuing six months should be furnished from India; he also requested that monthly statement of accounts might be rendered; in reply to the requisition for a statement for six months, we had a most imperfect return, which I can put in. (*The same was delivered in.* Vide *Appendix*). It came from the Government of India on the 17th of January 1868; it professes to be an estimate of the expenditure in the Marine Department on account of the Abyssinian Expedition during the ensuing six months, and the first item in it is, "Hire of transports, 60 lacs;" that is equal to 600,000 *l.* for six months; there are other items, but that one indicated that the return was valueless for the purposes of our estimate; that was, I think I may say, almost the only direct information which we had at the moment. It came to the Secretary of State in a covering despatch from the Governor General of India in Council, and the information itself was from the Deputy Accountant General at Bombay, addressed to the Chief Secretary to the Government there.

701. Speaking generally, was it not very difficult to make out from the returns which were sent, whether they included Bombay expenditure and Calcutta expenditure, or not?—It was; and the fragmentary information which we had with regard to the transports was very inconsistent, inasmuch as at times we found the rates and periods stated differently, and it was exceedingly difficult to arrive at anything like a general understanding of how many transports were included, the quantity of tonnage, for what period, and upon what terms. Therefore General Jameson had to take the papers, and to extract from them, as well as he could, a general estimate of what would be the probable cost. The second part of the approximate estimate was the result. But it is important that the Committee should observe that that estimate (or, rather, as I should term it, a memorandum for the information of the Secretary of State) was only sent to the Treasury in reply to a letter of theirs of the 18th of March, in which Mr. Hamilton forwarded, for the information of the Secretary of State for India in Council, a copy of a letter and of its enclosure from Mr. Turner respecting the probable charges connected with the Abyssinian Expedition, Mr. Turner being then in Bombay. The letter from the Treasury closed with these words: "I am to request that my Lords may be favoured with any observations which Sir Stafford Northcote may wish to make thereon." Mr. Turner was then apparently in a better position than any one for making an estimate; he was at Bombay; he had proceeded to Bombay as the officer of the Treasury, and this is the language which he used in writing to the Treasury at that time. His letter is dated, Bombay, 12th February 1868. He said:—

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"Judging that their Lordships would like to have an estimate before them of the probable rate of expenditure in India for the expedition from an independent source, I have the honour to append hereto an estimate of the totals of the first six months' accounts of the charges already and to be brought to account in India, including the actual amounts of the two monthly accounts already sent home. This has been framed from such incomplete data as I have been able to obtain, so far as regards the next four months' accounts, and I have preferred to give totals which will doubtless prove to be considerably under the actuals, when brought to account, than otherwise. Very little information is, however, at present known by the military department as to the extent of expenditure up to date in the field. It is believed, however, that quite 250,000 *l.* has been spent, 200,000 *l.* of which at least will be chargeable to Her Majesty's Government, to which must be added the expenditure through Colonel Merewether, at Aden and other ports of the Red Sea, for purchases of camels, bullocks, &c., the probable total of which to date is 200,000 *l.* It is difficult therefore to estimate what the charges from these two sources alone to the end of March next will reach, but at a low margin may be taken at 500,000 *l.*; 300,000*l.* only of which (to be on the safe side) I have included in the probable totals of the monthly accounts. In corroboration of the rate of expenditure for hire of transports, I beg to attach copies of a list of the ships taken up, and of the total monthly hire now payable. This has appeared very opportunely in the columns of the 'Times of India,' and through the courtesy of the editor I have had proof copies struck off; I would observe that this list appeared in the 'Bombay Directory and Almanac' published by the proprietors of that paper, having been compiled from official sources, and is now reprinted with additions up to date."

702. That is the paper to which General Jameson referred in his evidence, is it not?—Yes.

703. *Chairman.*] Have you that account of vessels chartered at that time?—It is not here, it was returned to the Treasury, but no doubt it can be obtained; a copy is in the department somewhere, but with a view to printing for Parliament, and other purposes, it has been taken out. But I may mention to the Committee, that in the preparation of that estimate we

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did not rely on the statements which we received from India, as printed in the "Times of India;" but we referred to "Lloyd's List" and "Lloyd's Register of Shipping," in order to verify as far as possible the statements as to the tonnage.

704. Is that (*handing a Paper to the Witness*) the document to which you refer?—This is not the document, but it appears to be a copy of it. I would state that Mr. Turner's estimate, beginning with the month of November 1867, and including that month and December upon the basis of an actual account, and being carried on to April 1868, amounted to 2,622,250 *l.* It was prepared at Bombay by Mr. Turner on the 12th of February; General Jameson's being prepared in this country on the 12th March. Soon after the preparation of General Jameson's estimate the letter from Mr. Turner reached the Treasury; upon which the then Chancellor of the Exchequer was desirous of knowing whether the officers at the India Office agreed in the view taken by Mr. Turner. The estimate of the 13th March was thereupon taken to him, and subsequently explanations were given by General Jameson and myself as to the grounds upon which we believed that our estimate was not in excess of the probable charge, and on the receipt of Mr. Hamilton's letter of the 18th March, it was sent to the Treasury officially. It was sent, however, with the grave qualifications which appear on the face of the letter of the India Office printed with the estimate before Parliament.

705. Did I rightly understand you to say just now, that you were dependent upon the publication of the "Shipping Gazette" in London for a knowledge of what ships were chartered and their tonnage?—No, we had certain information officially. I think in the military letters we could find information as to a few ships engaged. We had had a more complete list in the "Times of India." What I mentioned with reference to the "Register of Shipping" in this country was that having some doubts about the tonnage of certain vessels, we referred to the list in order as far as possible to ascertain whether our information was accurate. What I am desirous of placing before the Committee is, therefore, this fact; that this estimate was not prepared in any way as an estimate of the cost of the Expedition, but it was an estimate of charges which would be incurred up to a certain date. There was then great uncertainty as to the duration of the Expedition, but at the end of May that would be the expenditure incurred.

706. Sir *Stafford Northcote.*] It was important, of course, that we should let the Treasury know what they would have to provide for the Indian Government?—Yes.

707. It was necessary, was it not, for the accounts of the Indian Government, that we should know what money we were to receive from the Treasury?—It was

708. Mr. *Baxter.*] Do you think that your description of the nature of this estimate is borne out by the wording of it, because, let me call your attention to the last sentence, "Provided the Expedition terminates on the 31st May, it would not be safe to ask for less than three millions, and there are charges which cannot at present be estimated, such, for instance, as the railways, telegraphs, &c. If continued beyond the 31st May next, it would be safe to estimate a further charge of 600,000 *l.* for every month beyond that date"?—The estimate consists of two parts. The second part is a memorandum of General Jameson's to justify the estimate of 600,000 *l.* a month. The first part was prepared separately, to indicate what the general expenditure would be. I admit that General Jameson may have expressed himself somewhat doubtfully as to the termination of the Expedition; but, in truth, when he prepared it, he had no idea that he was preparing more than an official memorandum.

709. Would not the House of Commons naturally suppose that that was the expenditure of the Expedition as estimated by officers most competent to judge, provided it ended on the 31st of May?—I should say not, if they would take the trouble to read the covering letter. That letter says, first, that "the information available here for the preparation of an estimate of the expenditure on account of this Expedition is very insufficient, although repeated applications have been made to the Government of Bombay on the subject An estimate has, however, been prepared in this office, which must be regarded as approximate only, from which it appears that the charges in India and England to the end of May 1868 will probably amount to about 5,000,000 *l.* A copy of this estimate is forwarded herewith." That sum is considerably in excess of the amount shown in Mr. Turner's Estimate, and it goes on to show that we think that our estimate will be the more correct of the two.

710. Captain *Beaumont.*] Was not this estimate the basis upon which Government made the statement which they did, with respect to the expenditure, in the House of Commons?—I submit that it is not for me to answer that question.

711. Mr. *Mundella.*] But if the House of Commons and the public concluded that 5,000,000*l.* would be the total expenditure on the Abyssinia Expedition, they were mistaken, and you never supposed it?—Not only did we never suppose it, but I am surprised that anybody in the face of this letter should have supposed it.

712. *Chairman.*] Notwithstanding the words you read from Mr. Turner, "totals which will doubtless prove to be considerably under the actuals, when brought to account, than otherwise"?—Yes; Mr. Turner's estimate was to the end of April; ours, to the end of May.

713. Then you think that even up to the end of May the House of Commons had not a right to infer that the limit would be five millions, seeing that Mr. Turner wrote those "totals will doubtless prove to be considerably under the actuals, when brought to account, than otherwise"?—The observation of Mr. Turner does not apply to the estimate of five millions, but to his own estimate of 2,622,250 *l.*

714. Sir *Stafford Northcote.*] I think the matter stood in this way: Lord Clinton wrote to the Treasury, sending an estimate of five millions; he said, "that sum" (that is, the five millions) "is considerably in excess of the amount shown in Mr. Turner's estimate to the end of April 1868, after allowing for the additional month's expenditure; but it is stated by Mr. Turner, that his estimate has been framed on incomplete data, and that he has 'preferred to give totals which will doubtless prove to be considerably under the actuals.'" That explanation was given to show why Lord Clinton sent an estimate for a larger sum than that which had been made by Mr. Turner, was not that so?—Quite so.

715. Mr. Turner did not name five millions, did he?—Mr. Turner only named 2,622,250 *l.*

716. *Chairman.*] But did not Mr. Turner add that his own estimate being under five millions would

would prove to be considerably under the actuals, when brought to account, rather than otherwise?—Undoubtedly he used the words quoted, but the observation applied to his estimate only.

717. Might not the House of Commons infer from those statements that five millions was the estimate up to the end of May?—Five millions was undoubtedly the estimate; but the House must have observed that it was an approximate estimate only.

718. Does that lessen your astonishment at anybody having that opinion?—It does not.

719. Would you still be equally astonished that we should infer that?—The India Office had carefully guarded itself by stating that it had no sufficient information, and that it could only furnish an approximate estimate, and that that estimate, to the end May, was about five millions.

720. Can you tell the Committee what estimates your department put into the hands of General Jameson?—The estimate is really General Jameson's only so far as the second part goes; it is mine as regards the first part.

721. What do you mean by the first part?—You will see that the entire estimate consists of two parts; there is first the covering letter; then comes an estimate, dated 13th March, of the general expenditure, including General Jameson's estimate of the 12th March for the charge of 600,000 *l.* a month.

722. Sir *Stafford Northcote.*] You, in fact, gave the estimate of the two millions that was incurred in the first instance, did you not?—No, I gave the estimate of 5,351,000 *l.*, taking General Jameson's as mentioned in the estimate itself, "*Vide* General Jameson's estimate annexed," for the 600,000 *l.* a month.

723. *Chairman.*] Do I understand you to disclaim responsibility for the five millions estimate altogether?—No; I say that we are responsible for preparing it as an office memorandum, and as the best estimate which could be made at the time.

724. Will you give us the date upon which you submitted such an estimate?—You will observe that the estimate of October 1867, which has been dealt with already by the Committee, is taken in its integrity, amounting to 850,000 *l.*, to be paid by the Imperial Government, and 1,150,000 *l.* by the Indian Government. Then comes what is termed the estimate of March 1868. It included a further expenditure of 189,000 *l.* by the War Office on information obtained from them, and a small expenditure of 22,000 *l.* on information obtained from the Admiralty.

725 It will simplify the matter if we come to the details on the last page of that estimate; sea transport you have there at 400,000 *l.*, have you not?—That is General Jameson's only, I am not responsible for it, but I rendered him what information and assistance I could in preparing it.

726. Then I think the Committee must have misunderstood General Jameson; we did not understand him to say that he was liable for that portion of the estimate?—He is responsible, I understand, for that which is signed by him.

727. We will take the first page then: in October 1867 there was submitted to Parliament 650,000 *l.* as the estimate for ships, coals, and provisions?—Of that you have had the full explanation in a Memorandum which was put in by Sir Stafford Northcote just now.

728. You submitted an estimate of 2,000,000 *l.* as necessary to carry on the Expedition up to the close of 1867; that is the production of the India Office, is it not?—Yes.

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729. Is not the India Office responsible for it?—Yes.

730. Can you state to the Committee the details and the grounds on which you submitted that estimate?—In regard to the item of 650,000 *l.*, there was a letter from the Admiralty to the Under Secretary of State for India, dated 17th September 1867, which was to this effect:—"I am commanded by my Lords Commissioners of the Admiralty to request you will state to the Secretary of State for India, that the expenditure on account of the Abyssinian Expedition, so far as the expenditure on account thereof by the Naval Department can be estimated at the present moment, will amount to the following sum, viz.:

	£.
In the Transport Department -	340,000
Storekeeper General's Department (for coals, &c.) - - - -	268,000
Comptroller of Victualling (Provisions, &c.) - - - -	30,000
TOTAL - £.	638,000"

Then it refers to the payments.

731. Is that the ground of your setting out 650,000 *l.*?—I believe it to be; as has been stated already, that estimate of 2,000,000 *l.* was not prepared by me, but I believe that to be the ground for the item.

732. Then you now give us the authority for the 650,000 *l.*?—Yes.

733. By whom is that letter signed?—By Mr. Romaine.

734. There is a further item of 200,000 *l.* for mules, feeding, and stable gear, in this same estimate; who supplied that?—That, I see, is a War Office estimate; it is possible that in General Pears' department that information may have been obtained.

735. The next item is from the Indian Government, is it not?—That was obtained from our own Director General of Stores.

736. Then you have also a document intimating an account of 150,000 *l.*, have you not?—No; I, no doubt, can get the information of what it consists.

737. And the authority for the information?—Yes, the authority for the information, no doubt; then come items for which General Jameson alone is responsible.

738. Then, in point of fact, neither you nor your department indeed is responsible for any portion of this 2,000,000 *l.* estimate?—No.

739. You received it from the Admiralty and the War Office?—Yes, in regard to their expenditure, and General Jameson supplied the remainder.

740. (To General *Jameson.*) I think you took the responsibility of the additional 600,000 *l.* a month to the end of May?—(Mr. *Seccombe.*) I am afraid that there is some little misapprehension. For this 2,000,000 *l.* estimate the War Office and the Admiralty are not responsible, except for the two items, amounting to 850,000 *l.*, in the first column. Then comes the estimate of the Store Department of the India Office, for which they are responsible, and General Jameson is responsible for the remaining expenditure.

741. You put the 2,000,000 *l.* into General Jameson's estimate, and he accepts that sum on the authority of the India Office, and that Office casts the

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the responsibility upon the War Department, the Admiralty Department, and the Indian Store Department; is that so?—Yes; for the particular items specified, and as furnished by each department.

742. Mr. *Seely*.] Are you aware that there are any documents printed for the use of the India Office which have not been laid before Parliament?—Yes; I believe, as General Pears stated to the Committee just now, we could give the whole of them to the Committee, if they wished to see them.

743. *Chairman*.] Will you hand in the letter from the Admiralty?—I will. (*The same was delivered in*, vide *Appendix*.)

744. Have you the letter from the War Office?—I have not; I believe that information did not come to the Financial Department; I think it would come to the Military Department, to General Pears.

745. But General Jameson received that from you, did he not?—No. (General *Jameson*.) I said I had it from Mr. Seccombe and General Pears.

746. (To General *Pears*.) Then you are responsible for that, and will produce it?—Yes.

747. Sir *Patrick O'Brien* (to Mr. *Seccombe*).] Are you able to say how much extra will be paid on this Expedition?—As far as I am able to ascertain, the claim on the part of India will be about 7,200,000*l*.

748. *Chairman*.] There are 2,000,000*l*. at home, are there not?—That we have nothing whatever to do with. I believe that the expenditure in India will be about 7,000,000*l*., and in this country, on account of stores supplied by the Indian Store Department, about 200,000*l*.

749. Have you the memorandum which you received asking for the 200,000*l*.?—I have not. It is possible that a memorandum may not have been received, but that it was given verbally on the day of the estimate by the Director General of Stores as an estimate of what his expenditure would be up to a certain date.

750. Who is the Director General of Stores?—Mr. Talbot.

751. Sir *Stafford Northcote*.] The Indian Store Department is a department of the India Office?—Yes.

752. *Chairman*.] The India Department received the accounts from India, in the first instance, representing those 7,000,000*l*., did they not?—Yes, as far as they have yet been rendered.

753. Where are those accounts now?—They are at the Treasury, with the vouchers which have been passed by the Treasury officer.

754. Have they been analysed and classified according to the form in which the estimate has been submitted?—No; our object is to pass them on to the Treasury as soon as we get the vouchers, and to make the claim and get the money.

755. Have you any appliances in your department which would enable you to analyse those accounts, and set them out subdivided according to the form of the estimate, so that we might see the excess or deficiency in each item of the estimate?—The pressure on the Department is so great at this period of the Session, that we should be unable to do it without additional aid; and I would submit to the Committee that Mr. Turner, having already gone through those accounts, and being in this country, could do it much better than we could. In fact, I have already seen memoranda prepared by him, in which he has to a certain extent analysed it.

756. Those accounts are very voluminous, are they not?—They are voluminous.

757. There are some 20,000 accounts, are there not?—I apprehend that that number must relate to the vouchers. We have not received separate accounts to the number of anything like 20,000.

758. Are there any other printed documents in your department besides those which have been laid before Parliament?—No. The printed collections of documents to which reference has been made contain almost all the papers relating to the Expedition, with the exception of the accounts.

759. Had you in your department anything whatever to do with the various contracts into which the Government entered for the supply of various stores?—Not anything.

760. Who had the superintendence of contracts, especially contracts for shipping, in this country?—The Admiralty made contracts for shipping; our Store Department provided certain stores.

761. Who superintended the contracts for shipping on the other side?—The proper officers of the Bombay Government.

762. Do you know who they were?—I do not.

763. Nor do you know, I apprehend, who superintended the contracts for coals, and the stores necessary for the Commissariat Department?—Captain Young, who is now dead, was, I believe, the officer in charge at Bombay at that time.

764. Sir *Patrick O'Brien*.] Who purchased the mules in India?—That I do not know. It probably was the Commissariat Department.

765. (To General *Pears*.) The mules purchased in Europe and India were purchased by different departments, were they not?—The War Office did it here; but in India they had it under the Commissariat Department.

766. Mr. *Eastwick*.] It was stated that there was no officer who could prepare an estimate of a military expedition; could not the Military Secretary, supposing he was called upon by the Secretary of State, do so?—I should be very sorry to undertake to furnish an estimate of a whole expedition, but I should not have been at all surprised if the Secretary of State had asked me to give an approximate estimate of the cost of the troops employed on a certain occasion; and I should consider that it fell within my province, in communication with the financial department, to do the best I could; but to attempt to estimate the cost of an expedition from beginning to end, without knowing when the end was to come, would have been very rash I think. I should in that case have communicated with the Government of Bombay, where almost the whole of the work was done, and got the best estimate I could from them, and have made it up for the Secretary of State in this country.

767. Sir *Stafford Northcote*.] As a matter of fact, did I not apply to you, in the first instance, for the best information which you could give, and did you not refer me on certain points to General Jameson?—Yes, I referred to General Jameson on certain points, as being far more experienced than myself.

Tuesday, 13*th July* 1869.

MEMBERS PRESENT:

Major Anson.	Sir James Elphinstone.
Colonel Barttelot.	Sir John Hay.
Mr. Baxter.	Mr. Holms.
Captain Beaumont.	Mr. Howes.
Mr. Candlish.	Sir Stafford Northcote.
Mr. Grant Duff.	Sir Patrick O'Brien.
Mr. Christopher Denison.	Mr. Seely.
Mr. Eastwick.	Mr. White.

JOHN CANDLISH, Esq., IN THE CHAIR.

Mr. CHARLES TURNER, called in; and Examined.

Mr. *C. Turner.*

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768. *Chairman.*] YOU were sent to India by the Government, and charged with duties touching the Abyssinian War, were you not?—Yes.

769. Were you in the service of the Crown previously to that time?—Yes.

770–1. How long have you been in the Government service?—I have now completed over 16 years' service.

772. What was your position?—I had been in several departments of the Admiralty previously to that time.

773. What was your position in the Admiralty at the time when you were sent out?—I was a second class clerk in the Transport Department of the Admiralty.

774. You were sent to Bombay, were you not?—I was.

775. When were you sent out?—I started on the 2nd of November 1867, and reached Bombay on the 26th of November.

776. Had you written instructions as to the duties which you had to discharge at Bombay?—I had.

777. Have you those instructions with you?—I have a copy of them.

778. Are those instructions printed?—They are printed in the Blue Book; I think it was the second Blue Book which was published, but I am not quite certain; it is at page 486.

779. Will you read those instructions?—I will; it is entitled, "Instructions for Mr. Turner's guidance." "The Lords Commissioners of Her Majesty's Treasury having, with the assent of the Secretary of State for India in Council, appointed you to proceed to Bombay to be employed there, on behalf of the Imperial Government, upon the accounts of the expenditure for the Abyssinian Expedition, I am to instruct you to observe that your duties there will be to co-operate with the officers of the Indian Government, in examining the accounts of the expenditure incurred for the expedition; to give information as to the nature of the vouchers that should be sent to this country; to sustain such accounts, and to make reports to their Lordships, from time to time, upon the matters arising out of such examination which may seem to call for observation. The Secretary of State for India in Council has stated to this Board that he has no desire to relieve the revenues of India from the charge of the troops which are to be sent to Abyssinia, so long as it is not necessary to replace them by others; and that he is prepared to agree that the ordinary pay of those troops, European and Native, that may be employed in the Expedition, shall be borne by Indian revenues, on the distinct understanding that every other charge, whether for replacing officers or soldiers withdrawn from their duties, or for extra allowances, pensions, or gratuities to officers or soldiers, or for pensions to families of officers, soldiers, or others who may be killed or disabled on this service, or on any other account, shall be repaid by the Imperial Exchequer; and that when it shall be found necessary to replace any portion of the force drawn from India, the whole expense consequent thereon shall be repaid to the Indian Government. Upon this understanding, to which the Lords have agreed, the ordinary pay of the troops in the service of the Indian Government which may be employed in the Expedition will be borne by Indian revenues; and the Expenses for commissariat services, sea and land transport, foreign service, batta, and allowances, staff salaries, wound pensions, and gratuities to European officers or warrant officers of the Indian services, and pensions to their families; also wound pensions to native soldiers or followers, and pensions to the families of men killed in action or dying on service, as prescribed by the Indian Regulations, compensation for loss of baggage, if captured by the enemy or lost on service, the expense of replacing staff and other officers withdrawn from India to serve with the expedition, and all other charges whatever (with the sole exception of the ordinary pay of the troops) incurred on account of the Abyssinian Expedition, will be repayable to the Indian Government out of the Imperial Exchequer. It is possible that in some instances a difficulty may be found by the officers charged by the Indian

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Government to make up the accounts, in separating the items properly chargeable to the current Expenditure of Bombay from those relating to the expedition; and it will be your duty to give them every assistance in this matter, and to call the attention of the officers charged with the examination of these accounts in India to the case of any item debited to the account of the Expedition which you may consider not properly so chargeable. You will then report to my Lords upon every item in the final monthly account upon which a question has been officially raised, showing, firstly, those cases in which the view taken by yourself is not concurred in by the Indian officers, and, secondly, the cases in which the explanations which have been given to you have satisfied you as to the admissibility of the claim. The statement of these explanations in your reports may prevent similar questions being raised upon the accounts when they reach this country. You will, however, understand that it is not the intention of my Lords to transfer to you any portion of the responsibility, either financial or otherwise, involved in the arrangements for the Expedition, or to give you any power of interfering in any manner with those upon whom the responsibility of the arrangements will rest, but that the object which my Lords have in view in sending you out is to furnish them with full information as to these accounts, and facilitate the settlement of them in this country. On reaching India, you will report your arrival to the Chief Secretary to the Bombay Government, who will place you in communication with the Indian officers charged with the preparation of the accounts, with a view to the arrangement of the most convenient mode of carrying out the duties confided to you. It is understood that the accounts will be rendered monthly, with the vouchers in support of them, and as you complete your examination of these, you will mark them as examined, with your initials. The charges should, as far as practicable, be classed under the several army and navy votes to which they will be debitable. The Bombay Government will probably place at your disposal office rooms in one of the public buildings, so that you may be in convenient proximity to the Indian officers, with whom you will have to act; and should you find it necessary to incur the expense of clerk-hire, such moderate charges as may be necessary will be allowed. The Admiralty and the War Office will supply you with a memorandum, showing in greater detail the classification of vouchers which will be most convenient to them, and the nature of the arrangements for making and supporting the claims for repayment which will most facilitate the early settlement of the accounts between the two Governments."

780. Have you any other instructions than those which are contained in this paper?—I have a memorandum from the Admiralty referred to in the last paragraph.

781. Has that also been printed?—I am not aware that it is in any Blue Book. It was in reference to the heads of service under which the charges were to be shown. It is a letter dated 28th October 1867, from H. G. Lennox, Esq., to the Under Secretary of State for India: "It being necessary that a separate account should be kept of all expenses chargeable to naval votes incurred in connection with the sea transport of troops and stores for the Abyssinian Expedition, in order that any claims for repayment may be brought under examination as promptly as possible, and that their investigation may not be impeded by the mingling therewith of expenses chargeable to other departments of the Imperial Government, I am commanded by my Lords Commissioners of the Admiralty to request you will lay before Secretary Sir Stafford Northcote the accompanying memorandum, showing the requirements of the Naval Department, in order to facilitate this object; and my Lords will be glad for instructions to be issued to the authorities in India to cause the points adverted to in the memorandum to be duly attended to." The memorandum is as follows: "Abyssinian Expedition.—It is desirable that the claims of the Indian Government for the repayment of their expenditure for the transport service of the expedition should be made periodically. The expenditure for transport service is classified in the Admiralty accounts under the following heads; and it will be convenient that as far as practicable a similar classification should be observed in the claims to be preferred, viz.:—*Hire of Transports.* Payments for the hire of ships on monthly pay, for the purchase of vessels, and for pilotage and dues when payable by the Government under the charters.—*Coals for Steamers.* Payments for coal purchased for hired vessels, or the value of supplies out of store to such vessels, and the value of coals consumed by steamers belonging to the Indian marine.—*Freight of Troops.* Payments of freight of troops, horses or draught animals, at rates per head, or for the voyage, as well as any expenses for boat hire, &c., for landing and embarking them.—*Freight of Stores.* Payment for freight of army provisions or stores, and of provisions and other stores for sea transport service.—*Mess of Army Officers.* Payments for messing army officers, civilians of the Army Department, and of transport officers while on board ship.—*Passage Money.* Payments for the passage of officers and their servants (including freight of their baggage) to and from England. The passage of officers between India and the seat of operations will be chargeable to the head of Freight of Troops.—*Fittings.* The cost of fitting ships for the conveyance of troops, horses, or draught animals.—*Bedding and Stores for Troops.*—Purchases and supplies of articles of bedding and mess utensils, and other miscellaneous stores for the use of troops on board ship, and cost of washing.—*Forage and Stores for Horses.* Purchases and supplies of forage and miscellaneous stores for horses and draught animals on board-ship.—*Pay of Transport Officers.* The pay and contingent expenses of naval officers and civilians employed specially on duties connected with transport service.—*Provisions.* Purchases and supplies of provisions and medical comforts for troops on board Her Majesty's troop ships or hired vessels, to be consumed on board ship, and the cost of provisions consumed by troops embarked in vessels of the Indian marine. REMARKS.—*Provisions for Land Service.* Medicines, clothing (whether on board ship, or for shore service), and arms and ammunition for land or sea service, are army charges in the imperial accounts. The cost of such supplies should not, therefore, be included in the claims on the Admiralty, and, as far as may be practicable, they should form the subject of distinct vouchers. The same observation applies to expenses of shipping, and landing stores for land

land service. It is desirable that the claims be preferred monthly, as the expenses are brought to account, and it is specially necessary that they should be supported by the cash vouchers for payments claimed, and, in the case of supplies out of the Indian Government stores, by statements showing in detail the rate and value of the several articles. The claims for stores purchased or supplied, should be accompanied by evidence of the supply to each particular ship, which should be the master's receipt if the vessel pass her accounts in England. Copies of the charter-parties of ships engaged in India should be furnished as early as practicable, and it will be especially necessary that they be produced before the claims for the balance of hire can be admitted. Vouchers for messing should show the names, rank, and regiments of the officers, and specify the dates and places between which each officer is messed. In regard to transports engaged by the Bombay Government, and therefore passing their victualling and store accounts in India, the accounts with vouchers so soon as passed, should be forwarded to England in order that reclaims may be made for returns or supplies to other departments of the Imperial Government; the examination of the expenditure on board, resting entirely with the Indian authorities. The Indian Government should credit the Admiralty with the value of serviceable stores returned from the transports, and with the proceeds of sale of unserviceable stores. In order that the audit of the ships' accounts may be complete, it is requested that steps may be taken to inform the Admiralty as early as possible of all supplies made from Indian ships and transports to vessels, passing accounts in England, and directions will be given for communicating to the Government at Bombay the details of all supplies made by British transports to the Indian ships. It is especially requisite that the receipt and issue of stores and provisions for land service should be kept distinct from the transactions for sea service, otherwise there must inevitably be delay in the final settlement of the claims between the two Governments. ORDERED, that a copy of the above be furnished to the Military Department, the Public Works Department, the Comptroller General of Accounts, the Accountants General, Madras, Bombay, and Bengal, and the Governments of Fort Saint George, Bombay, and Bengal. *E. H. Lushington*, Secretary to the Government of India." I have here a number of documents also bearing upon my instructions.

782–3. Have you any other documents of instructions than those two which you have read? —I have not. A good deal of these papers is mere repetition in a different form.

784. By the instructions given to you from the Treasury, were you invested with any responsibility for any purchases?—None.

785. But you were invested with a good deal of responsibility as to payments, were you not? —As to the classification of the accounts.

786. Did you get the accounts rendered to you in such a form as enabled you to conform to the instructions in that memorandum?—I had a great deal of trouble in bringing many of them into such a form.

787. Did you ultimately succeed?—Yes, greatly.

788. How did the trouble arise, and what was the nature of it?—The accounts in Bombay were consolidated from all the stations where expenditure was incurred for Abyssinia. It included Madras, Bombay, the Punjaub, Abyssinia, Suez, the shores of the Red Sea, Kurrachee, and Aden. There were a great many special departments, and officers charged with disbursements; and many of those officers charged with accounting for money had never seen a cash transaction, or never made one, in their lives.

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789. Were you in communication with the officers charged with the duties of supplying the articles needful for the expedition?—Not officially.

790. The first reference here is to the hire of transports; have you the accounts for the hire of transports classified?—I should mention possibly that every monthly accounts made up at Bombay showed the expenditure classified in that form.

791. Have you an account of the ships on monthly pay?—I have a heading of that.

792. Is that account complete?—It is complete, so far that all the payments were made up to the date when I left Bombay.

793. Had you anything to do with the chartering of the vessels?—Nothing. I had no control whatever over the chartering.

794. Have yon an account of the vessels purchased?—I can tell you the amount of the cost.

795. Do you know how many transports were hired?—Yes.

796. Can you hand in a list of them?—I can. There were chartered at Bombay, 32 steamers and 178 sailing ships. There were chartered at Calcutta, 119 steamers and tugs, and 24 sailing ships. There were chartered at Suez, eight steamers and tugs. There were specially purchased for the expedition, 11 steamers, tugs, and vessels. Then, in addition to those vessels which were specially purchased, or chartered, there were various vessels lent for the service of the expedition. The Bombay Marine lent seven vessels; the Bengal Marine lent three vessels; and, in addition to this again, there were Royal Navy vessels employed, numbering, I believe, seven. The total number of vessels, exclusive of iron barges and small craft, and also irrespective of the transports chartered in England, amounted to 389.

797. Does that account also set out the ton nage of vessels, the rate of pay, the monthly amount payable, the time when the hiring was effected, the date of entering into the service, the date of discharge, and the number of vessels? —It does. (*The same was delivered in*, vide *Appendix.*)

798. Does it set out the special service on which they were employed?—No, I have no knowledge of that. They were employed first on one service and then on another.

799. Does that include an account of the sailing vessels as well as of the steam vessels?—It includes both.

800. You speak of vessels lent; what is meant by vessels lent?—The Bombay Government lent certain vessels of the Bombay Marine for special services.

801. Were those vessels belonging to the Government of Bombay?—They were belonging to the Government of Bombay.

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802. Was any charge made, and was any account rendered for them?—There were certain charges made. All the special fittings were charged against the expedition.

803. Sir *Stafford Northcote.*] Was it not the case that the Indian Government lent the vessels that belonged to their marine on the same principle upon which they lent the troops of their army; that is to say, that the ordinary expenditure was not charged to the Imperial Government, but only the extraordinary expenditure?—That was the case in certain vessels, but not so in others. The majority of vessels lent were specially commissioned and fitted, and in that case the whole expense was charged against the expedition.

804. *Chairman.*] You were instructed to have the charters under which the vessels were engaged before you, were you not, before you certified the payment of the account?—Yes; I sent home in the first account in which the payment for the hire was included, a copy of the charter-party.

805. Have you those charter-parties?—I have not now. They are deposited with the Admiralty.

806. You had to separate coal purchases amongst other things, had you not?—There were certain charges incurred at Bombay for coals.

807. Have you the coal contracts?—I have not.

808. Did the coal contracts come to your hand at all?—No, I had nothing to do with contracts in any way.

809. Then how could you speak to the correctness of the accounts?—I was not responsible for that. The audit of the accounts rested with the Indian Government.

810. But you were instructed to see the charter-parties before you certified to the payment of the freights, were you not?—In that special case I did so, not in any other case.

811. Had you nothing to do with the contracts for coals?—Nothing whatever.

812. The accounts for coals would pass through your hands, would they not?—There were certain payments at Bombay for the purchase of coals, which payments were included in the accounts made up at Bombay.

813. They would be set out as invoices, I apprehend?—Those were payments made in Bombay for coals purchased on the spot.

814. Payment would follow on the rendering of invoices; did those invoices come through your hands?—The invoices did; but the coals were specially purchased at Bombay, and have no connection with the coals sent out from England.

815. Where are those vouchers for coals now?—They are with the accounts which were sent home monthly.

816-17. Are they in England?—They are.

818. Who supplied the coals to the service in Bombay?—Various firms. Vessels were bought, in many cases, in anticipation of their arrival.

819. Did the Government not contract with one or more firms at Bombay?—I fancy not. The exigencies of the service were so great that coal was bought up immediately on its arrival.

820. By whom?—By the Bombay Government.

821. Are you aware whether coals came out there for sale unconsigned to any houses in Bombay?—I am not aware.

822. Can you mention the parties from whom coals were bought in Bombay?—I do not think I can. I can give you the rates at which some of them were purchased, but I have no knowledge of the firms.

823. The accounts will show that, will they not?—The accounts will show that.

824. At what rate were coals purchased?—The rate varied very much. There were a number of colliers taken up by the Bombay Government with coal in them, and sent direct to Annesley Bay from Bombay. They were taken up at rates varying from 66*s.* to 80*s.*

825. Delivered at Annesley Bay?—Yes, but those were colliers taken up as chartered transports. The rate of hire was also paid.

826. The coals were purchased at a given price, the vessels having been first chartered; was that so?—Yes.

827. Then, in point of fact, the coals were not purchased at Bombay?—The coal was purchased in vessels at Bombay.

828. And the vessels entered on time charter from that time?—From that time.

829. Sir *John Hay.*] That was so as to save demurrage in case the vessels could not be discharged, was it not?—I fancy so. It was in order to meet the requirements at Annesley Bay, from time to time; then there were a number of other vessels, colliers.

830. *Chairman.*] Did you purchase on the bill of lading quantity?—In most cases it was the bill of lading.

831. Did the bill of lading come into your possession?—I sometimes saw it. It was put away with the cash vouchers, otherwise I should not have seen it.

832. As a matter of ordinary procedure, would not the bill of lading come to you?—Not if the Government of Bombay considered that it was a fair price, and that the quantity of coal was in the vessel, according to the professional officers.

833. Then those coals bought at Bombay would be bought of Bombay houses, would they not?—Yes; or they had agents at Bombay, doubtless.

834. Then those would be bought outside the contracts, would they not?—Quite so.

835. Besides the purchase of those occasional and stray cargoes, the Government had contracts with certain houses in Bombay for the supply of coals, had they not?—The Government of Bombay received their coal for their ordinary purposes, direct from England, round by the Cape; that coal being paid for in London by the India Office.

836. Was it sent out there by the Home Government?—Yes; and the payments for that were made in London, I believe, by the India Office.

837. Had you no contracts in Bombay for the supply of coals in Bombay?—I think there were none at all.

838. Had not the Peninsular and Oriental Company a contract for the supply of coals to the Indian Government?—There was a contract with the English Government, made in London.

839. Did

839. Did that come through your hands?—It did not.

840. Have you seen that?—I have seen a copy of it.

841. Do you know the price which was given for them?—I think the ultimate price was 70*s.* 6*d.* a ton.

842. Do you know of any coals having been purchased out there at anything like 10*l.* per ton?—There was one instance of coal purchased at 12*l.* per ton, but that was quite an exceptional case. That was in the Red Sea, at Jeddo. A transport arrived there, and could not get away from the port without a few tons of coal. There were a few tons purchased, I believe, at 12*l.* a ton, at Jeddo.

843. Was it a steam transport?—It was a steam transport. The cost of coal purchased in colliers by the Government of Bombay, and sent to Aden, varied from 60*s.* to 90*s.* a ton; purchases were also made by the Resident before the arrival of the coal from England at Aden up to 140*s.* a ton.

844. What was the average cost of the coals supplied to the transports engaged in the expedition?—I do not know that.

845. When you are quoting the price, do you mean delivered at Annesley Bay or at Bombay?—Those prices to which I allude were the prices of the coal as it lay in the ships at Bombay.

846. In every instance of coals being so purchased, was the ship that carried them then chartered as a transport?—Not in every case; there were some few deliveries of coal into the Government stores at Bombay; but those cases to which I refer were chartered.

847. But the purchase of the coals would be, in every instance, in Bombay, and the price which you name is the price paid at Bombay, is it not?—At Bombay or Aden where they were purchased.

848. And in carrying them on to Annesley Bay they carried them on time charter, did they not?—On time charter.

849. You were directed to make a heading of the freight of troops, were you not?—Yes, and I did so.

850. Was that for ships employed specially to convey troops?—It was for ships employed coastwise; that is to say, taken up specially for the conveyance of troops from Bombay to Calcutta or Madras.

851. These were steamers in every case, were they not?—I fancy not; I fancy there were some sailing ships.

852. You ultimately succeeded, did you not, in classifying the expenditure according to the heads set out in the instructions given by the Admiralty?—I did.

853. Then would you be able to produce what I might call an appropriation account, in accordance with those headings?—I have a consolidated account of all the monthly accounts which were prepared in India, showing the amounts that were expended under each of those headings.

854. Have you the total?—I have a copy of it here; I may mention that before leaving Bombay, I prepared this account.

855. Will you describe that account?—It is a statement of the total receipt and expenditure in India connected with the Abyssinian expedition as exhibited in the several detailed accounts prepared at Bombay, and transmitted to England, also of the actual and estimated outstandings to complete. This was prepared on the 9th of April at Bombay, corresponding with the headings in the instructions from the Admiralty; and as regards the War Department, with such headings as I thought fit to put the charges under.

856. Does that embrace every account coming to charge in India on account of the war?—Yes, up to that date; that is to say, all the charges incurred on account of the expedition east of Suez and including Suez.

857. Is that from the commencement of the war?—It is from the commencement of the war.

858. Until when?—Until its termination, allowing for the estimated outstandings which are included here.

859. Up to what date are the actual charges, exclusive of any estimate?—The actual charges are, up to the 31st March 1869, as regards the marine charges.

860. What is the gross total?—I have that total blended with the military total here. The gross total of the military charges up to the end of February 1869, and the marine charges and civil charges up to the 31st of March, was 7,107,686*l.* 14*s.* That was reduced by receipts and credits, which had been brought to account to the extent of 489,486*l.* 19*s.*, making a net expenditure of 6,618,199*l.* 15*s.* actually brought to account. (*The Statement was delivered in,* vide *Appendix.*)

861. Then beyond that, you have an estimate, have you not?—I have prepared an estimate on the same date.

862. What is the amount of that estimate?—That estimate is, in gross, 353,310*l.*, the credits being 141,536*l.*, leaving a net sum of 211,774*l.*

863. Making a total of actual and estimated charges of how much?—The gross charge was 7,460,996*l.* 14*s.*; receipts, 631,022*l.* 19*s.*; and the net total, 6,829,973*l.* 15*s.*

864. What materials had you enabling you to form that estimate of charges yet to accrue?—That estimate was framed with the advice and assistance of the officers of the Bombay Military Account Department principally. I must confess, that as regards some of the charges I had no data whatever. My requests for information on certain points were not complied with, and therefore I had to estimate them myself as best I could.

865–6. What amount have you in your estimate for which you have no data whatever?—I may explain that in that account the totals of which I have just read are only included those charges which I passed. There were certain charges wanting vouchers which were imperfect and required further explanation, and those charges were included with others in this list.

867. Some of the items would be ascertained but not verified?—Some of them were. This paper is headed, "Memorandum of the actual and estimated outstanding receipts and charges not yet included in the accounts consolidated at Bombay"; "Punjab Pay, &c. (that is, allowances and road expenses) of several levies of returned muleteers, proceeding to the Punjab, up to February 1869." That item wanted vouchers, amounting to 18,970*l.* "Madras estimated outstandings, as per telegram, chiefly for railway conveyance of troops and pay of returned followers, 3,040*l.*" That telegram

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was specially received from Madras. The total net sum is 211,774 *l.* (*The Paper was handed in,* vide *Appendix.*)

868. Of that sum, as to how much had you nothing to guide you from any quarter?—The guess work was principally confined to the credits of the Public Works' Department Stores; that is, the Abyssinian railway material and engineers' stores.

869. Then this is your guess as to what they would realise?—Yes.

870. How much is that?—The cost of the railway material was 62,000 *l.*, and of the field engineers and other stores about 10,000 *l.* I took one-fourth of the original cost, making 20,000 *l.*, for the railway material and field engineers' stores.

871. Was that for the railway laid in Abyssinia?—That was for the railway laid in Abyssinia, and subsequently removed to Aden and to Bombay.

872. Had it been landed when you left?—All of it.

873. Since you came home, several of those accounts, I apprehend, have come forward?—All the accounts have been sent home monthly.

874. You estimate so much as yet to be paid; have there been any intermediate vouchers, or has anything been done intermediately enabling the Government to discharge that account, and bring it forward as an actual payment?—None bearing upon this estimate. In fact, the last account sent home from Bombay, to my knowledge, has not yet arrived.

875. When did you leave Bombay?—I left Bombay on the 10th of April, and I reached England on the 2nd May.

876. What is the process of ultimately clearing away the remaining liabilities?—So soon as the charges are properly vouched in Bombay, they will be incorporated in an account and sent to the English Government.

877. Who is charged with the duty of examining the vouchers?—The various officers of the departments in Bombay and Calcutta.

878. It was a part of your duty when in Bombay to send home monthly accounts, was it not?—I did not send them home, but they were sent home through the Bombay Government.

879. Was it not a part of your instructions to send them home?—I fancy not. I sent home copies of the accounts, but it was not laid down in my instructions that I was to do so.

880. Can you tell the Committee when the expenditure ceased; when the Government of Bombay ceased, for instance, to be liable on account of transports; when was the last transport discharged?—A great many of the Bombay transports continued in the pay of the Government up to a far advanced date in August. I think the last transport was discharged on the 4th September.

881. When did you hear, in Bombay, of the fall of Magdala?—About 12 days afterwards.

882. From that time what was done towards reducing the charge?—No further purchases were made for stores, and no further supplies were sent.

883. Do you know what ships you had then in Bombay harbour, under charter?—I do not.

884. Do you know what steps were taken to relieve the Indian Government of charge, on account of the war?—I know that so soon as they arrived they were discharged as promptly as possible, and every department exerted itself to the utmost.

885. Transports, however, were kept in charge till August, you say; have you anything before you which would enable you to tell the Committee with what facility those transports were discharged month by month?—I have not, except the actual dates of discharge. The statement which I have already handed in shows the actual dates.

886. Then do I correctly understand you that after August the transports ceased to be employed, and were discharged?—I fancy that the 4th of September is the date of discharge of the last Bombay transport.

887. You had very few in August, had you not?—A great many were discharged in August.

888. Respecting the estimates, it did not, I think, fall within the scope of your instructions to prepare estimates?—No, I was about to remark that I had no special instructions to prepare estimates; and what estimates I did prepare were quite voluntary on my part.

889. Do you know anything of the materials from which the 2,000,000 *l.* was the estimated sum submitted as the cost of the expedition up to the end of the year?—I had no copies whatever of the papers which were laid before the House sent out to me.

890. Were you concerned in the preparation of the first estimate which was submitted to Parliament, of 2,000,000 *l.* up to the close of the year?—Not that I am aware of. On the 12th of February 1868, while I was at Bombay, I wrote home and sent an estimate of what I conceived would be the totals, not of the cost of the expedition, but of the expedition accounts prepared at Bombay for the six months ending April 1868. The letter enclosing that estimate is the letter referred to in the Parliamentary Paper 219. (*The same was delivered in,* vide *Appendix.*) That letter has evidently been used as a basis for forming an estimate; but it was not sent home with any such intention on my part. It was sent home as the estimated totals of the first six monthly accounts.

891. Were you required to prepare an estimate?—I was not, but I knew very well that the Treasury would require to make some repayment to the Government of India for the expenses of the war, and I thought that I would tell them, as far as I accurately could, what the charges would come to in the first six months' accounts.

892. Then that was a volunteered service on your part, was it not?—It was a volunteered service on my part. I may mention that the totals which I arrived at was 2,622,250 *l.*, while the actual account sent home came to 2,465,529 *l.*, leaving only a discrepancy of 156,000 *l.*

893. Sir *Stafford Northcote.*] Is the letter in Mr. Seccombe's evidence at Question No. 701, the letter to which you refer?—That is the letter. I never saw that letter of mine used, and I was not aware that it was used as a basis of forming an estimate until the other day, when this Paper, 219, was put into my hands.

894. *Chairman.*] Was the estimate of the probable cost which you submitted prepared from data supplied to you?—It was from rough data at the time.

895. Supplied by whom?—It was in reference to the totals of the accounts, and not with reference to the cost of the expedition at all; it was

that

that data to which I had access. The first real estimate which I had prepared at Bombay was dated the 14th of July 1868. The total of that estimate was 5,350,531 *l.*

896. Have you that in detail?—I have it in detail. (*The same was delivered in*, vide *Appendix.*)

897. Mr. *Baxter.*] Was that the total expenditure at Bombay alone?—No; east of Suez. Of that 5,350,531 *l.* an actual element of charge was included of 2,465,531 *l.*

898. *Chairman.*] Up to what date was that amount of 2,465,531 *l.* charged?—That was up to the end of April 1868.

899. That was not the amount of liability which had been incurred, was it?—It was not the amount of liability incurred up to that date. That total was very much qualified by a remark which was added at the foot: "I find the transports returned to Bombay are not being so rapidly discharged as I had counted upon; 150 are now in the pay of Government at a monthly cost of 200,000 *l.*"

900. At what date was that?—It was the 14th July; "and I fear with the small means here of transhipping the stores they will not all be discharged even by the end of July."

901. And they were not all discharged until September, were they?—There were some, I think, discharged in September, but all the rest had been discharged by the end of August; that is as regards Bombay transports only; the Calcutta transports were discharged later.

902. Was that remark intended to indicate that the estimate of 5,350,531 *l.* which you had then prepared, would be exceeded?—Certainly. I never supposed for one minute after I had been six weeks in Bombay that the expense of the expedition would come to less than five millions; that is to say, east of Suez.

903. Reckoning the expedition to terminate when?—In March or April.

904. Did you advise the Home Government of your opinion?—Not officially.

905. Did you privately advise the Home Government of your opinion?—I do not call to mind that I did privately, but I spoke of that total to the officials at Bombay at the time, as what I considered it would come to.

906. To whom did you make that statement?—To the officers of the Military Account Department.

907. Did you write that statement home at all?—I do not call that to mind.

908. You arrived in Bombay in November, did you not?—At the end of November.

909. By the close of 1867, were you convinced that the expenditure in India would exceed five millions?—Early in January I was so convinced. When I am speaking of India, I am speaking of the east of Suez.

910. In the letter which was handed in by Mr. Seccombe, you stated that you preferred to give totals, which would doubtless prove to be considerably under the actuals, when brought to account, than otherwise. The totals you then gave were, I think, at that time even less than the actuals, were they not?—The actual figures were upwards of 150,000 *l.* less than the estimates I then gave. But my object in making that remark was this: that I wanted to inform the Treasury, as far as I could, not what the actual liabilities were, but the actual sum which they would be required to hand over to the Indian authorities.

911. Then, as you have stated, being under the impression that the Home Government would want to be advised as to the probable cost of the war, did it never occur to you, so soon as you received the impression that the cost would be so large as you have mentioned, to communicate with the Government at home?—This estimate was framed after I had seen the remarks in the home papers.

912. That is in July, is it not?—On the 14th of July.

913. But the impression to which you gave expression in July you entertained in January, did you not?—Yes; I still entertained the impression that it would cost between five and six millions.

914. When you were asked whether you ever communicated that to the Government at home, you said, "not officially;" I presume that you mean by that, that there was some communication made?—I do not remember communicating any total whatever in a semi-official note.

915. Sir *Patrick O'Brien.*] Did you communicate it to the Governor of Bombay, or any of his staff?—I was constantly talking to the officials of the Bombay Government, and I am certain that I mentioned those figures over and over again.

916. Captain *Beaumont.*] Do you think that there exists any written document of yours to that effect?—This estimate which I hold in my hand of the 14th July.

917. Is that to the effect that your opinion was as you stated it?—I am not aware of any official document.

918. Sir *John Hay.*] I suppose what you mean is that, in ordinary conversation you expressed that opinion; but that you do not remember to whom you may have said it, and that you made no official, or semi-official, or private communication with a view of leading the opinion of the authorities on that question?—No, I remained quite passive until this date.

919. *Chairman.*] Will you explain your silence upon that matter?—My silence was caused by this circumstance; that I was not officially called upon to give any estimate whatever of the cost of the expedition. I received no special instructions whatever of that sort.

920. Did you receive no special instructions at any subsequent period?—None whatever.

921. Nevertheless you communicated your ideas on the cost of the war, did you not?—I wrote on many subjects occasionally, and this was one.

922. How do you account for the ultimate cost of the war in India being at least a million and three quarters in excess of the sum which you estimated in July, that is to say, three months after the objects of the expedition had been accomplished, and the troops had returned to Bombay?—There were various reasons which prevented any correct estimate being framed in Bombay.

923. Let me put before you your own figures; 5,350,531 *l.* was your estimate in July, was it not?—Yes.

924. You now tell the Committee, I think, the ultimate cost in India will be upwards of seven millions, do you not?—Yes.

925. How do you account for the ultimate cost being nearly two millions in excess of the sum which

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which you estimated in July?—By the transports being kept very much longer in the pay of the Government than could have been counted upon at the time; and by the expenditure in the field in Abyssinia far exceeding any estimate which was made for it.

926. You have stated, have you not, that there was a charge then existing of 200,000 *l.* a month on account of the transports?—That is the 150 transports then remaining.

927. That continued to run down, and ceased substantially in about six weeks, did it not?—Yes.

928. The expense of transports, from the time of your estimate, would not probably be more than 200,000 *l.*?—Probably.

929. Then that 200,000 *l.* more than your estimate would not in any material degree account for the 2,000,000 *l.* of excess?—It was merely one item.

930. Can you tell us the other items?—There was no knowledge, or very little knowledge whatever, of the expenditure in Abyssinia itself under the direct control of Lord Napier, until the expedition had been closed.

931. What do you mean by the expenditure in Abyssinia?—Expenditure by the Commissariat and by the Land Transport Train.

932. But they did not purchase very much in Abyssinia, did they; what was the total expenditure in Abyssinia?—The total expenditure in Abyssinia, so far as I was able to arrive at it, was 815,930 *l.* by the Commissariat Department alone.

933. Are you distinguishing now between the articles sent on from Aden and Bombay for the commissariat?—Distinctly. This was paid upon the spot, in Abyssinia, in cash.

934. What else was there?—£.815,930 was paid by the Commissariat Department, including the shore transport of stores by natives; and in addition to that there was paid by the Land Transport Train, that is to say, by the director of the Land Transport Trains, 184,554 *l.*

935. Sir *John Hay.*] Does that include the road-making expenses?—No, it does not; it is merely the Commissariat and Land Transport Train expenses.

936. It does not include the 400 miles of road or the railway?—No.

937. Captain *Beaumont.*] Or telegraphs?—No.

938. *Chairman.*] Have you the total amount expended in Abyssinia?—Those are the only two items which I have shown distinctly under Abyssinia.

939. In your estimate of 5,350,531 *l.*, what sums did you take as the Abyssinian expenditure?—There was 200,000 *l.* put down as advances outstanding by the resident at Aden on account of the expedition. The resident at Aden supplied certain funds to meet the requirements in Abyssinia; but as a rule, the purchases in Abyssinia were met by funds sent direct from England. All the dollars were sent direct from England or from Suez, and a few thousand rupees from Bombay.

940. Then when you speak of 815,930 *l.*, and 184,554 *l.*, you speak of those sums as coming to charge in India?—Coming to charge in India long after the estimate was prepared. It was not until July or August, or I may say the latter end of August 1868, that any of the field accounts were dealt with in India, that is to say, we could not arrive at the totals of them. I prepared another estimate following upon that one of the 19th December 1868. In that estimate were three abstract totals of the amounts already sent. The civil and marine accounts already sent to England, were 2,783,618 *l.*; the military accounts were 2,363,269 *l.* To these I added estimated outstandings 2,077,300 *l.*, making together, after deducting receipt items of 184,337 *l.*, a net total of 7,039,850 *l.* (*The same was delivered in,* vide *Appendix.*)

941. That was eight months after the war had terminated was it not?—It was.

942. And that was approximately correct?—It was not until the accounts were really in hand.

943. It was no longer an estimate except to a small extent, was it?—There was a very large amount estimated; the amount of charges to be brought to account then, was 2,077,300 *l.*, but they had to be received from the Punjaub, from Madras, and from Calcutta, and some of the field accounts were not even then rendered.

944. I have spoken to you of coals; with regard to contracts for other articles, such as mules and hay, do you know anything of them?—They were all bought under contract in Bombay.

945. Have you those contracts?—I have not.

946. Did they come into your possession?—They did not.

947. Do you know where they are?—They are in the Commissariat Department or the Commissary General's Office at Poonah. Only the cash vouchers were sent to England.

948. Was it a part of your duty to see that the accounts coming to hand on account of them were in accordance with the contracts?—No; the audit of charges took place with the responsible officers of the Bombay Government.

949. With regard to hay, hay was bought under contract, was it not?—I think every purchase was made under contract.

950. Did any of those contracts come into your possession?—None whatever.

951. Who will have the contracts for hay?—They were all kept by the Commissary General's Department at Poonah.

952. Where will the contracts for provisions be?—Also with the Commissary General's Department.

953. Where were the provisions mainly supplied from?—Bombay, Kurrachee, and Aden mainly.

954. Were there contracts at each of those places?—Yes, and at Calcutta.

955. Were those contracts with various firms?—Yes, with many firms.

956. The cash vouchers came to your hands, did they not?—The cash vouchers came to my hands.

957. But not the contracts?—Not the contracts.

958. Sir *Patrick O'Brien.*] Do you know anything as to the contracts for coals in India?—The contracts for coals in India were merely retained there, having been sent out from England. There were no coals bought in Bombay under contract.

959. *Chairman.*] Do you form any opinion as to whether or not due celerity, and everything practicable, was done to facilitate the discharge of the transports at Bombay on their return from Annesley Bay?—I think that every possible means were taken to effect their discharge.

960. How then do you account for the time being so much protracted beyond the time you yourself

yourself expected?—During the period of the south-west monsoon, for sometimes three days together, you could not put a boat in the harbour of Bombay.

961. What did those transports lying there waiting to be discharged contain?—All sorts of stores; that is to say, commissariat stores, field engineers' stores, and many of them contained hay.

962. Do you form any opinion as to whether or not it would have been wiser and cheaper if a large portion of those stores had been abandoned, and the transports discharged in Annesley Bay, rather than that they should have been detained to bring them to Bombay?—Under their charter-parties it was specially provided that they should be discharged at Bombay or Calcutta.

963. That was only in some cases, was it not?—In every case at Bombay or Calcutta.

964. Are you sure of that?—I think so.

965. Did the charter-parties come to your hands?—Every one of them.

966. Sir *John Hay.*] Do you happen to know whether the stores which you spoke of, which were brought back to Bombay and Calcutta, were re-embarked in Annesley Bay, or whether they were not transports which had never been discharged, and which were properly brought over again under their contract?—Many of them had not been discharged.

967. *Chairman.*] I presume that you have formed no opinion as to whether or not there had been too many transports employed, and too many stores sent out?—That is not my department; but in order to facilitate the discharge of transports I recommended to the Bombay Government that the hay ships should be towed outside the harbour, and the hay thrown overboard, because it cost more to land that hay than it sold for afterwards.

968. With regard to the charges for transports, was there a condition, in some cases, that there should be a certain rate if a vessel was discharged at Bombay, and another rate if she came to England?—All the transports taken up at Bombay or Calcutta were to be discharged at those ports.

969. Without any additional beyond the time during which they were actually employed?—Beyond the stipulated time. Some were taken up at six months, and some at four months.

970. Had you nothing to do with chartering of vessels at all?—Nothing.

971. Did it ever come to your knowledge that any vessel was tendered at a given price, rejected, and chartered privately a day or two afterwards, at a much higher price?—No, I was not aware of any such proceeding.

972. Mr. *Seely.*] Could you make out for the Committee an account comparing, according to the several items, the estimated cost of 5,000,000 *l.*, as given by General Jameson, with the actual expenditure; and classifying the expenditure under certain items, as, for instance, the amount of 650,000 *l.* estimated as the cost of ships taken up by the Admiralty, and coals and provisions?—Of that I have no knowledge whatever. Those were to provide for charges paid in England.

973. Could you state what was actually expended?—I have no knowledge whatever of the English charges.

974. Would you have any difficulty in giving to the Committee, in a convenient form, an account comparing that estimate of 5,000,000 *l.* with the actual expenditure?—I have an account of the actual expenditure, but with those figures I am not at all familiar. I could contrast them at the side of it. This account shows, under 85 headings, the various expenses of the expedition in great detail in many cases.

975. If you could not give the account for the first estimate of 2,000,000 *l.*, could you give an account comparing General Jameson's estimate of the monthly expenditure with the actual expenditure per month?—I have an account of the actual expenditure, but I am not sufficiently familar with those figures to contrast them, I think, correctly.

976. The Committee, I think, were told at their preceding meeting that you would be the party who would be most likely to give them information upon this point, namely, what were the items on which there was an excess of expenditure, and how much that excess was, comparing that actual expenditure with the estimate which was submitted to the Government, and on which they founded their calculations, that 5,000,000 *l.* would be the total amount of the cost of the expedition. Can you prepare such a statement?—I will endeavour to prepare such a statement, contrasted with my own estimate.

977. I think that you spoke of the money which was sent to Abyssinia; do you know how much was sent?—I have no actual knowledge of the sum.

978. Do you know how much was brought back?—I think it came to 300,000 *l.*

979. Was that brought back to India?—It was brought back to England in dollars.

980. In the accounts, was the exact sum, without any reference to the difference of exchange, put down?—All the rupees were valued at 2*s.*, and dollars were valued at 4*s.* 2*d.* or 4*s.* 2½*d.*, it was 4*s.* and a decimal.

981. Was there any allowance in the accounts which were made out for any difference of exchange?—None whatever, except in actual exchange transactions.

982. Do you happen to know what was the rate of exchange in Bombay at the time the monies were received?—It varied every month; every fortnight almost.

983. What would be about the rate?—During the Abssinian war it was under 2*s.* to they rupee, and sometimes it was 2*s.* 2*d.* or 2*s.* 1½*d.*

984. At any rate no allowance was made for any difference in the rate of exchange?—None in the accounts.

985. Do you say that there was no detention in unloading vessels in Bombay?—There was no unnecessary detention so far as I am aware.

986. Do you know anything about the arrangements for unloading?—At the time of the extreme pressure, the Commissariat Department, who generally did that duty, were assisted by the Marine Department in order to facilitate the discharge of the transports.

987. Were the arrangements pretty good?—Every available officer was employed upon the duty.

988. Major *Anson.*] Was it any portion of your duty if any act of extravagance came under your notice, to report to the Home Government upon the subject; for instance, in the case that you mentioned, of the purchase of a certain amount of coal at 12 *l.* a ton, did you investigate it and report the circumstance to the Government?

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ment?—I saw that in that case it was absolutely necessary; the ship could not leave the Persian Gulf without it.

989. Did you investigate the circumstance yourself?—I saw that it was necessary. I made no further comment upon it.

990. Mr. *White.*] You spoke of Jiddah as being in the Persian Gulf; but Jiddah is in the Red Sea, is it not, and not in the Persian Gulf?—I am aware that Jiddah is in the Red Sea; but I was thinking that the coal was supplied at a port in the Persian Gulf. I fancy that it was the "Lord Clyde," at some port in the Persian Gulf.

991. Major *Anson.*] Did you report to the Government at home upon the subject of the enormous number of camp followers which were estimated for the Abyssinian Expedition?—No, I made no report upon that subject.

992. Did you make any report with reference to the camp followers which were sent from Bombay to Abyssinia?—None whatever.

993. Could you mention to the Committee any reports of yours to the Home Government upon such things as giving 12 *l.* a ton for coal, or any similar case of extravagance?—It was no part of my duty to report extravagance, even if I thought that it was extravagance; but in that case it was a matter of necessity.

994. Did you ever report to the Home Government upon any extravagance?—I did not.

995. Whenever any expenditure was undertaken at Bombay where you were residing, for instance, if a ship was taken up was that expenditure reported to you at once?—Not at once; I had no knowledge whatever until the payment was made.

996. In fact, until the account was about to be audited?—Until the first payment was made as regards any ship taken up, I had no knowledge whatever.

997. Then you were unable to report to the Government from time to time as to the probable expenditure which was going on, until you actually received the vouchers; was that so?—The estimates which I framed were from information received in that department, perhaps, before the payments were made to the transports.

998. Captain *Beaumont.*] In the early part of your evidence, you stated that some officers whom you met with had no knowledge of cash transactions; would you state what you meant by that, and whether you could give their names, so that we may ascertain whether you were embarrassed in any way by the way in which your accounts were furnished to you?—All the divisional officers of the Land Transport Train made payments more or less. They were some of them subalterns, and some of them of higher grades; and the accounts of the Land Transport Train are not so satisfactory as many others. There were charges which I could not pass as not being sufficiently vouched.

999. Then, had more competent officers, in a financial point of view, been employed, do you think that it would have facilitated your work?—I think every officer having a knowledge of accounts was employed upon account work; but the requirements were so numerous, that it was impossible to fill them in every case.

1000. Referring to the memorandum which was read of your duties, you have stated before (but I should like it to be distinctly accepted again) that you consider the duty upon which you were employed in India, simply to be, to put it shortly, to classify the accounts?—No, that was a secondary matter entirely. My duty was to scrutinise the charges, that is to say, not to pass charges without, I thought, they were fairly debitable to the expedition.

1001. Then, in the event of your not considering that a charge was fairly debitable to the expedition, what would have become of that charge?—If the charge was not withdrawn by the Bombay Government, it was included in the account; and I sent home with that account an observation paper, in which I distinctly referred to it.

1002. Were any such charges as that refused?—There were many charges withdrawn that were first debited.

1003. Then, supposing that the rate of expenditure in any particular had been excessive, or that you could have seen that there was a want of arrangement in the way in which any of the details were made or carried out, would you have considered it your duty to have made any suggestions as to that, or would you have passed it over possibly in silence, or probably only casually mentioning it to the heads of the department with whom you might be in contact?—If there was any such case of excessive expenditure, it generally came before me too late to make any alteration. The money had been spent.

1004. Supposing that it had come before you in time, would you have considered it your duty to have done so?—Yes, undoubtedly, if I had thought that it was an extravagant proceeding.

1005. Can you remember instances in which, had you had the information earlier, the course referred to in your last answer would have been taken by you?—I do not remember any instances.

1006. Were the accounts rendered in any exceptional way; that is to say, in a special way, which possibly the exigencies of the service might have required as distinct from the way in which ordinary mercantile accounts were rendered?—They were rendered in every possible shape and manner. The charges from the Punjaub were most unsatisfactory.

1007. Then you met with certain difficulties in carrying out your duties, in consequence of the way in which the accounts were rendered, did you not?—Undoubtedly.

1008. In fact, were they rendered in such a way as to make it extremely difficult for you to comply with your instructions?—They were rendered in such a way that they retarded the amounts being included in the accounts consolidated at Bombay.

1009. From your official position you had before you continually the statement of the way in which the expenditure was going on; and possibly you were in this position: that there was no other person who would have a better opportunity than yourself of judging whether the expenditure was or was not excessive, bearing in mind the peculiar requirements of the case. I apprehend that we shall hardly be likely to have before this Committee a person who will be able to speak with more authority than yourself as to whether the expenditure was or was not excessive in any particular; can you point to any class of charges which were excessive; that is to say, any class of charges which you considered, speaking generally, that you would have liked to make remarks upon had it come before you earlier; such as, for instance,

instance, the transport of stores, the provision of mules, and the length of time of transports?—I am not aware of any special items, except those which were afterwards withdrawn, which I looked upon as charges not properly debitable to the Imperial Government, and there were several of those.

1010. Will those charges form part of any report or paper which you will put in?—I have not copies of them yet, but lists of those items were sent, before I left Bombay, to the Treasury.

1011. Could you put in a list of those items?—Yes.

1012. With reference to the discrepancy which existed between the expenditure and your estimate in the case of the transports, if I understood you rightly, you said that it was owing to a great extent to the monsoon blowing?—To the south-west monsoon.

1013. Would it not have been reasonable to look for the blowing of that wind at that time?—Yes; but it unfortunately happened just as the troops were arriving at Bombay from Annesley Bay. The troops had barely reached Bombay when the monsoon commenced; in some cases they were met half-way.

1014. Then it was quite possible, if not probable, that the monsoon would blow, was it not?—It was fully expected.

1015. Then if it was fully expected, why was it not provided for in your estimate?—At the time I made my estimate I was not aware that the troops would be detained so long.

1016. *Chairman.*] Did not the troops return to Bombay at about the time that was expected, the expedition having accomplished its object in the month of April, as was anticipated?—I fancy the last troops arrived at Bombay in the middle of July; and some of those had to be sent round afterwards to Calcutta.

1017. What caused their being so long in arriving at Bombay?—Some were landed at Aden, and others were greatly detained by stress of weather.

1018. Captain *Beaumont.*] Then do I understand you rightly, that had the troops not been detained more than the time that you anticipated, the monsoon would not have caused any excess of expenditure for transports, and practically your estimate would have been correct?—At the time I made that estimate I was not aware up to what time the liabilities of the Government would be extended. On the 14th of July I made that estimate, and I was not prepared then to state that the transports would be detained in the pay of Government until the first week of September.

1019. Then, in point of fact, you estimated for a time when you did not know the time?—Exactly.

1020. Mr. *Baxter.*] In that estimate of 5,350,531 *l.*, did you make no allowance for transports being detained, and for expenses that would accrue after the date of the 14th of July?—I put in that estimate the charges for the month of May 1868, at 280,000 *l.*: for June 1868, allowing for a little fluctuation in the discharge of transports, 240,000 *l.*, and then the final payments in July, and the following months, for hire of transports I estimated at 250,000 *l.*

1021. Then you did estimate a certain sum for further expenditure after the date of 14th of July?—After the month of July I estimated a further sum of 250,000 *l.*

1022. But the actual expenditure, especially on the transports, greatly exceeded your estimate, did it not?—Certainly.

1023. Can you state to the Committee the precise sum paid for transports after the 14th of July?—I am not in a position to state what that sum was; but the actual payments after that date would rather mislead than otherwise, because the final payment for the transport was not made until all the accounts of the transport had been rendered.

1024. Do I rightly understand you to state, that on the 14th of July 1868, you estimated the expenditure in the East on this expedition at 5,350,531 *l.*?—Yes, with the remark that I thought that the amount I put in then for the hire of transports would be greatly exceeded.

1025. Can you furnish the Committee with actual amount of transports which, no doubt, was greatly in excess of your estimate?—The actual sum paid for the hire of transports was 2,701,097 *l.*; but there were certain contingent items bearing upon the hire.

1026. *Chairman.*] That is to say transports hired in India?—Yes, there were pilotage, port, and other dues, amounting to 24,225 *l.*; and there should be added the pay of the transport officers in charge of those transports.

1027. Mr. *Baxter.*] Can you give the Committee your estimate for transports as included in that sum of 5,350,531 *l.*?—That is a total of the payments brought to account that I have just referred to. There are other payments for transports which were not yet brought to account.

1028. Then, in point of fact, the expenditure is not yet at an end, is it?—It is not at an end, some payments have not been made.

1029. Leaving that for the present, can you tell the Committee, or can you put in the difference between your estimate of the transport service and what it has actually cost up to the present moment, so as to enable them to arrive at the causes of difference between your estimate of 5,350,000 *l.* and the actual cost of seven millions; you very justly and properly remark that a considerable proportion of that excess was in the cost of transport service arising, chiefly from detention?—That is one large element.

1030. I am anxious to find out the amount of that element?—I will endeavour to supply it.

1031. *Chairman.*] I think you told the Committee that you had 250,000 *l.* estimated in your 5,350,000 *l.* for the transport service after July?—I have that amount; that was as to Bombay; but then there were Calcutta transports, which formed a very large item.

1032. Mr. *Baxter.*] As I understood you, the real and important items in this excess are the expenditure on the commissariat and the land transport in the field in Abyssinia itself?—Yes.

1033. Did they not enter into your calculation as elements at all; did you expect that that would all be debited on this side of the Isthmus?—No, I knew that they would be incorporated at Bombay.

1034. The two together amount to very nearly a million; could you inform the Committee what allowance you made in your estimate for those special services?—I will endeavour to supply that information.

1035. The Committee are anxious to arrive at the particular items in which your estimate was exceeded, putting them together; were those

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items the commissariat expenses in Abyssinia, the land transport expenses in Abyssinia, and the detention of the transports?—I may perhaps be allowed to remark that my estimates generally were composed of the actual payments made upon the spot, or of actual figures in bulk, that I expected would come in, as regards general headings, and not as regards items. The hire of transports was alluded to, because it was a very important item, but in other cases they were all lumped together in one or two items. I will endeavour to supply the Committee with information as to the excess of those items over my calculations.

1036. You arrived in Bombay in the month of November, and you said, I think, that you had not been there six weeks when you arrived at the conclusion, and (not at all an incorrect conclusion) that the war, so far as Indian expenditure was concerned, would cost at least 5,000,000*l.*; that is so, is it not?—That was my remark.

1037. You mentioned your opinion to the various persons in Bombay connected with the Government, and otherwise in conversation, did you not?—Some officially or privately; I cannot mention the names of individuals.

1038. Did you find any general concurrence on the part of those gentlemen in your opinion?—Entirely; few thought it would come to less.

1039. Was that notoriously the opinion in Bombay at the time?—Undoubtedly.

1040. And no doubt in your communications with your friends at home, whether official or unofficial, you mentioned that opinion?—I had very little time for letter writing.

1041. Did you keep any copies of letters?—No, I have no copies of semi-official letters.

1042. Have you any documents which you could lay before the Committee which would prove conclusively the views which you held at that period?—I think not; I have no copies of semi-official or private letters, but merely of official letters.

1043. That estimate of five millions was of course entirely irrespective of the sums to be paid in this country, was it not?—Quite.

1044. Did you form any idea of the total cost of the war?—None whatever.

1045. But from the opinion you formed after you had been in Bombay only six weeks, you are not surprised at what has occurred?—Not at all.

1046. Mr. *Holms.*] Before you went out in November, had you any opportunity of seeing this estimate of October 1867?—Until the last two days I have never seen any papers which have been prepared in England.

1047. And therefore you never heard anything about this estimate of two millions?—Not at all.

1048. When you had been in Bombay six weeks, and had an idea that the amount would come to at least five millions, did you not think it your duty to communicate that opinion to the Home Government?—No; I could not give any facts or any real figures amounting to that sum.

1049. In your instructions, given at first, it is written here, that "On reaching India you will report your arrival to the Chief Secretary to the Bombay Government, who will place you in communication with the Indian officers charged with the preparation of the accounts, with a view to the arrangement of the most convenient mode of carrying out the duties confided to you. It is understood that the accounts will be rendered monthly, with the vouchers in support of them, and as you complete your examination of these you will mark them, as examined, with your initials. The charges should, as far as practicable, be classed under the several Army and Navy Votes to which they will be debitable." When did you send home the first monthly account?—Those accounts were sent home by the Bombay Government. I sent mere copies to the Treasury. I should mention that the accounts were prepared in two sections, the civil account and the military account. The first civil account was sent to the Secretary of State on the 11th of January 1868, and extended from September to November 1867.

1050. Then did you send them each month after that, according to the instructions?—I sent home, as soon as the account was prepared, a copy of that account to the Treasury.

1051. Sir *Patrick O'Brien.*] In passing the accounts for mules and baggage animals, do you happen to recollect whether you passed the accounts of different officers of the Government for the purchase of mules at the same period and at the same place; in short, do you know that there was a conflict in purchasing for the common account in the Punjaub, and that there were officers employed for the Government, each ignorant that they were employed on the Government account, bidding against one another in the Punjaub?—I have no knowledge whatever of that.

1052. You do not recollect having passed the accounts for different persons purchasing mules for the Government at the same place and at the same time?—I do not.

1053. Knowing that this monsoon would be blowing in Bombay, have you heard it stated that it would not have been allowed to have sent those vessels to unload at some other place where the monsoon did not prevail?—I have heard the remark that it would have been better to have discharged the vessels at some other port.

1054. You stated, did you not, that six weeks after your arrival in Bombay it was notorious to all persons there that the cost in India of this expedition would exceed five millions?—I think I did not quite extend my answer to that: I stated that it was known to myself that if the preparations went on at the rate they were then proceeding at it could not come to less.

1055. Did not your duties bring you into daily communication with nearly all the officers of the Bombay Government at the time?—With certain officers, but not with all.

1056. With a large proportion?—No, a small proportion. I had too much desk work to allow of my going to the different departments.

1057. Mr. *Eastwick.*] In the end of 1867, when you mentioned in conversation that you thought that the expenditure would certainly exceed five millions, I suppose that you were speaking rather vaguely, and without any definite information?—I could have no definite information.

1058. Then in July 1868, when you volunteered an estimate, had you any very accurate information?—I knew up to that date the number of transports taken up, but I had no knowledge of the extent of the charges.

1059. In December 1868 did the Government apply to you for an estimate?—I made up an estimate for the Government of Bombay about the

the 5th of December, but I am not exactly certain as to the date.

1060. Has that estimate been put in evidence, or has it been printed anywhere?—I fancy not.

1061. Did you find reason to alter that estimate shortly afterwards?—On the 19th of December I found reason to alter it.

1062. Did you find reason to alter it to a great extent?—To a considerable extent.

1063. To what extent?—This estimate was 6,050,000 *l.*, with an abatement of receipts of 300,000 *l.*, the net sum being 5,750,000 *l.* A fortnight afterwards I prepared another estimate, the net total of the second estimate being 7,039,850 *l.*

1064. Then, in point of fact, was there a discrepancy of a million between the estimates?—A million and a quarter.

1065. There was, in fact, a very great difficulty even then in preparing an estimate, was there not?—There was a very great difficulty. On the 19th of December at Bombay, I sent home a copy of the estimate to the Treasury, and I stated this: "These estimates I should have prepared and forwarded some time since, had I been in a position to have framed them with any accuracy; but it is only lately that the full extent of the field, commissariat, and land transport charges, and those incurred in Calcutta, have been apparent. The total of 7,039,850 *l.* is far in excess of what I had previously expected, and in fact, reported as probable to their Lordships on the 14th July last; but I then stated the extent of the Calcutta charges were not known, besides the transports were kept generally much longer in the pay of Government than could have been then anticipated, owing to the slow progress made in landing the returned Abyssinian stores at Bombay, and to the fact of several of the Calcutta transports having first brought troops from Annesley Bay to Bombay, proceeding afterwards to Calcutta to be discharged under their charter-parties. These statements have been carefully prepared, and, as will be seen, are mainly composed of actual figures taken from accounts sent in or obtained by telegraph from Calcutta. I would beg to observe, however, that there is very little data to guide one in estimating the amount of receipts likely to accrue by the sale or appropriation of returned stores; it is probable therefore, that the sum of 184,337 *l.* credited in the statement may be exceeded."

1066. From your experience as an accountant, would you not say that the fact of the accounts being kept in Calcutta and Bombay and in other different places rendered it extremely difficult to frame any estimate?—It was exceedingly difficult as regards Calcutta, because the charges were reported at so long a date afterwards.

1067. Did the Governor of Bombay himself personally, and the officers of the Government generally, show great anxiety to keep down extravagance?—Very great anxiety, I think; the Governor of Bombay assured me personally that he went into every contract, and that there was no vessel taken up at a higher rate than the previous one, unless it was absolutely necessary.

1068. Mr. *Christopher Denison.*] There are two documents which I have in my hand, one dated the 6th of April 1869, which is a memorandum, and the other a letter from yourself, dated the 9th of April 1869, to the Lords of the Treasury, giving your explanation of the difference between those two estimates; would you wish those two documents to be put in before the Committee?—I have prepared copies with that object. (*The same were delivered in,* vide *Appendix.*)

1069. In that detail of 1,290,000 *l.*, made up of a variety of items of large amount, is there anything that you would alter, or does that stand to this date as the explanation of the difference of the charges?—I have no further information since leaving Bombay than I had at that time.

1070. Then does this remain on record as your explanation of the difference of the estimates?—Undoubtedly.

1071. Had you reason while you were at Bombay to complain much of the way in which the accounts were sent from Calcutta?—There was great delay experienced in receiving the actual amounts from Calcutta; and the result was that the amount of them could only be estimated in the various estimates that were prepared.

1072. Have you reason to believe that the charges on account of the Indian troops have all been given in to this date, and that there are no charges still pending?—Allowing for my estimated contingencies, I do not think that there would be further charges other than one item which came to my knowledge on the day of my leaving Bengal; that is 25,000 *l.* or thereabouts paid in Egypt by Captain Willoughby, which it was understood would be adjusted in England; but it appears that it should be included in the Bombay accounts.

1073. Then are the details which you have given for war batta, and for the payment of recruits to fill up the places of the troops that were taken away from India to Abyssinia, all given at the present date?—That has not yet been charged for; there are two items, one for Calcutta, and one for Bombay.

1074. Do I rightly understand you to state that, immediately on going up to Poonah, you had materials put into your hands which you had not at Bombay, and which enabled you to make that revised estimate?—I found at Poonah papers exhibiting charges to the extent of over 300,000 *l.* from Calcutta alone; they sent in five or six months' accounts in one, or within a few days of each other.

1075. The value of the stores, when re-sold, has been (naturally enough) variously estimated, first at 300,000 *l.*, then at 184,000 *l.*, and lastly at 141,000 *l.*; the latter is your latest estimate, is it not?—That is an item to complete only; the actual credits brought to account for the sale of stores and other miscellaneous credits, up to the date of my leaving Bombay, were 489,486 *l.* There were then certain other credits outstanding, which I estimated, with the concurrence of the officers of the Bombay Government, at 141,536 *l.*, making a total of 631,022 *l.*

1076. I see that there are very heavy charges made in the Bombay harbour for the landing of those same stores; was that so?—There were very heavy charges for landing stores; the charges for loading, shipping, and landing provisions, demurrage on stores at Bombay, at Kurrachee, at Aden, and again at Calcutta, as far as I know, were 105,822 *l.*

1077. Then there is another charge for landing railway plant at Aden, of 10,000 *l.*; is that after the railway was broken up?—That is a disputed charge; the charge is not included in the accounts, and the matter was referred to the re-decision of the Bombay Government, as to whether it was

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an equitable charge against the Imperial Government.

1078. Sir *James Elphinstone.*] The first of these transports came into Bombay harbour just after the commencement of the south-west monsoon, did it not?—They were constantly returning, and they went back again.

1079. Did any of them come in before the monsoon set in?—Many of the steamers; all the steamers chartered in England, made, I think, six or seven passages a-piece, between Annesley Bay and Bombay.

1080. Was that the case with regard to sailing ships?—I do not call to mind any sailing ship making a second voyage.

1081. When did they begin to arrive at Bombay?—That I cannot tell; I can tell the date of the discharge.

1082. Was the harbour very much crowded at any time?—I think at one time there were 150 chartered steamers and sailing ships in the harbour.

1083. The weather at that time was very bad, was it not?—Very bad.

1084. Must there not have been considerable difficulty in landing the stores under those circumstances?—So much so that for days and days together the vessels could not be approached, and then when the stores were landed, they all had to be shipped in bunder boats. There are no wharves whatever, nor is there any dock accommodation in Bombay.

1085. Where were they landed?—At the Colaba Store, at the commissariat special bunders, and at the dockyard.

1086. Were any sent up to Mazzagong?—Some of the railway stores were sent up.

1087. With respect to the abandonment of stores, was there any officer authorised to abandon stores?—I think all stores which were abandoned at Zoolah were first of all inspected by a committee, but the stores remaining at Zoolah were all sold; all the commissariat stores were sold at the close of the expedition at Zoolah.

1088. And of course they were sold at a very great sacrifice?—A sum of 6,000*l.* was credited for the stores then remaining.

1089. In consequence of the small price which was realised for those stores, were not a great many embarked which otherwise would have been sold, because there would have been a market for them?—A great many stores were returned to Bombay, but they were of all kinds.

1090. If that had not been so, would there not have been very severe strictures upon the conduct of those officers who abandoned the stores?—I think that every store that could be re-shipped was re-shipped.

1091. Is it within your knowledge that all the ships made the best of their way to the ports where they were to be discharged?—There were one or two cases of excessive time, and they were the subject of investigation by the Marine Department.

1092-3. There were ships, were there not, which did not make the best of their way to the port of discharge?—There might have been one or two.

1094. It is stated in a Paper which was delivered in by General Jameson, that the mercantile marine always look for a harvest in war time, and that they generally reap a large one; and that the Abyssinian Expedition was certainly no exception in that respect, was that so?—There were transports in Bombay harbour remaining to be discharged, and it was simply impossible to deal with them all together. They were taken in the order of their arrival.

1095. In point of fact, the ordinary amount of tonnage in India would not bear the strain that was put upon it, would it?—Just so.

1096. Supposing that you had reported to the Government immediately that you saw that the expenses were like to exceed what we, in this country, supposed, could the Government at home have done anything to remedy that?—I presume not; the arrangements at Bombay were left entirely with the Bombay Government.

1097. The Government here was completely embarked in the enterprise, and they could not help going on, was that so?—I suppose so.

1098. So that that Estimate was of no value whatever?—Except to afford some general information as to what the expenditure might come to, it was not of any great value.

1099. But was it reliable for any practical purpose?—There were great difficulties in forming estimates at any time.

1100. In fact, could any estimate of this expedition have been made which would have been of any practical use?—I think the circumstances of the expedition differed so much from those of other expeditions, that it was almost impossible to form a satisfactory estimate.

1101. The policy having been determined upon from the best data which were before the Government, they had no means of retracting, had they, until the expedition was at an end?—I fancy not.

1102. Sir *John Hay.*] The honourable Member for Montrose asked you, I think, whether, looking to the estimate which you were able to form in January, you were at all surprised at what had occurred, but I do not think that you stated in what respects you were not surprised; did you allude to the fact of the success of the expedition, or to the fact of its not continuing over another year; or had you any means of ascertaining and determining grounds upon which you could base any reliable estimate of the total cost of the expedition?—I thought at the time that the expedition would extend up to the end of March of that year, or a little afterwards.

1103. Then your estimate at that time did not include the expenditure for April, May, June, July, August, and September, did it?—The estimate was quite indefinite as to the period; but my own impression was at that time, that the expedition would close somewhere about April.

1104. Did you anticipate a successful termination to the expedition?—I anticipated either a successful termination to the expedition, or a withdrawal of the troops; because the rains were expected to set in at about that time.

1105. Colonel *Barttelot.*] You are an accountant, are you not?—I have had some experience in accounts. I have been in an account department all my public life.

1106. Had you ever before such a task as you had to perform in India?—Never; and I hope never to have such a task to perform again.

1107. From

1107. From what you saw out there, do you think it is possible that all the expenditure could, in a very short time, be put a stop to after the expedition was over?—It was simply impossible; I may, perhaps, be allowed to read a few remarks which I attached to one of these accounts, stating the reasons why the charges were prolonged: "Owing to the sudden return of the field force to Bombay, in so very large a number of transports, difficulties were experienced (as the vessels poured in week after week), notwithstanding the special measures taken, in effecting so speedy a transhipment of the troops and followers, and of the returned provisions and stores, as in normal times might have been attained. All had, on arrival, to be placed in barges and boats during the heavy weather then prevailing, owing to the early setting in of the south-west monsoon, and afterwards landed at the various bunders (there being no docks or wharves for facilitating this object). This led to unavoidable delay in discharging the transports; few were out of the pay of the Government before July was far advanced, and many continued till the middle of August 1868, and later. The rain having fallen with great violence, by the time a large portion of the troops had reached Bombay, special accommodation had to be provided for them, and temporary cadjan sheds and huts constructed for the Native regiments and followers. The field batta and extra regimental charges of all regiments of the field force, continued until the troops returned to their respective stations in India. The Punjaub regiments of Native Infantry and others had to be sent *viâ* Kurrachee to Mooltan, &c. Extra charges were incurred on account of Madras regiments temporarily serving in the Bombay Presidency for months after the campaign had terminated, as they did not rejoin their stations until the rains had subsided. The late period of the discharge of the Calcutta transports arose from many having brought troops and stores in the first instance to Bombay or Kurrachee from Annesley Bay. These vessels continued in the pay of the Government under their charter-parties until they subsequently reached Calcutta. Much expenditure necessarily took place on account of the numerous followers of the transport train on return to India. Passages or conveyance had to be provided for all to the localities they were enlisted at. The various levies of Punjaub muleteers had to proceed *viâ* Kurrachee, up the Indus to Mooltan, Lahore, Allahabad, &c.; and charges on their account continued till the end of August 1868. All animals brought back to India had to be fed, and attendants for them provided, until sold by auction, or taken over by the Indian Commissariat. The 18 elephants lent from the Bengal Presidency had to be provided for until the monsoon allowed of their return. Numerous extra store and account establishments have had to be retained up to the present date; all the returned stores have not yet been completely disposed of."

1108. Would it not have been utterly impossible, supposing it to have been your employment to do so, to have an accurate estimate of what that expenditure would have come to?—I think that the peculiar features of the expedition defeated all estimates.

1109. So large an expeditionary force as that, sent out at so short a notice, and requiring so many stores of such various kinds, naturally enhanced the price of those stores, did it not?—A great many continued to be purchased at the standing contracts, which had been in force for a long time, but in many cases the price advanced.

1110. In all cases in Abyssinia itself there was no guide, was there, to tell you what the price of articles which were purchased there would be?—Stores were bought at such rates as they could be obtained at.

1111. Therefore it would have been utterly impossible, would it not, for the Bombay Government to have made any approximate estimate of the cost of that war, or for the home Government to have formed any opinion of what that war would ultimately cost?—I think so.

1112. As you were situated in India, having to get accounts from the Punjaub, from Calcutta, and from Abyssinia, you yourself could hardly form an accurate estimate of what the ultimate expense would be, could you?—I could not form an accurate estimate; the estimates I framed were based upon the best knowledge procurable at the time.

1113. It did not surprise you, I suppose, that those estimates after the accounts had come home were considerably exceeded?—My first estimate was under, and my second estimate was about the amount that would be actually expended.

1114. *Chairman.*] But it was then expended, and you had the sums actually charged, so that it was a summation of the accounts rendered, was it not, and not an estimate?—Yes; but there were still many points that had to be estimated for.

1115. Colonel *Barttelot.*] You were asked a question about getting information for the Home Government; in the first place, that was not a part of your duty, was it?—I was expected to communicate to the Government all the points which I thought of interest.

1116. But were you expected to give any detailed statement at once of what the cost of the expedition would be?—No; I received no special instructions to do so.

1117. Perhaps you had not even very much time to write home to your friends?—For 10 months in the year I worked from six o'clock in the morning to seven in the evening, with scarcely any intermission whatever.

1118. Therefore you had very little time for private correspondence?—Very little indeed.

1119. From what you saw, would you think it possible that anybody could have framed really accurate accounts of the probable cost of the expedition to have sent home to this country?—I do not think that anybody was in a better position than myself to frame such an estimate. Many of the accounts from Madras, Calcutta, and the Punjaub, were sent to me direct, whereas other papers were in the custody of the officers of the several departments. To those I had access when the estimates were framed; but on several occasions the officers of the Bengal Government stated to their superiors that they felt it impossible to frame estimates. To my knowledge, many telegrams were sent from England to India, asking for the cost of the expedition, and they frequently came to me, and said to me: "We find it impossible to make out estimates. Can you assist us?" and I did so to the best of my power.

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1120. As a civilian, from what you saw in India, do you think that any one out there could possibly have told how long the expedition was going to last?—I fancy not. It was a mere conjecture.

1121. Therefore it would not have been wise, would it, to have left the expeditionary force unprovided with stores for a considerable time longer than the expedition really took?—Very large stores were provided, in the expectation that they would be required.

1122. But it would have been unwise, would it not, not to have provided themselves with stores which would have lasted a considerable time longer than the expedition?—I think it was a very wise proceeding. Had not those stores been supplied before the south-west monsoon set in, they would have taken six weeks or two months to get to Annesley Bay from Bombay.

1123. But that accounts to a great extent, does it not, for the extra cost of the expedition?—Undoubtedly.

1124. And I presume, the two main items of expense were the stores and the transport?—Yes, commissariat stores and transport.

1125. Was there anything that you saw in India which led you to believe that reckless extravagance took place with regard to those two items?—I was not aware of any extravagant items. All stores were bought under contract, and all transports were paid under their charter-parties, or stipulated terms.

1126. Were those transports hired at rates which you thought exorbitant, according to the time at which they were taken, that being a time of war?—They were taken up at various rates; but even if the rate were extravagant, it was not part of my duty to interfere in the matter. They were the ruling rates of the day.

1127. Sir *John Hay.*] Do the accounts show any summary of purely Indian extra charges connected with the troops in each presidency from which they were drawn, after the troops were landed?—The expenditure is merged with the other totals.

1128. Is there no separate account of that charge?—There is no separate account of that charge; it is all in one.

1129. Sir *Stafford Northcote.*] Do you consider that General Jameson, or any other officer of the India Department, was in as good a position to make an estimate of the expense in the month of March 1868, a month before the fall of Magdala, as you were in the month of July, three months after the fall of Magdala?—I do not see how I can be competent to form an opinion; I was not aware of what was going on in England during the time when I was in Bombay.

1130. Do you suppose that you yourself could have formed as good an estimate in the month of March as you formed in the month of July?—Certainly not.

1131. Do you suppose that if you had been in England you could have formed as good an opinion as you could form in Bombay?—Certainly not.

1132. Then do you suppose that an officer of the India Office, being in England in March, could form as good a judgment as you could form in India in July?—I understand the question; but I really do not see that I can answer it.

1133. At all events, your estimate, made three months after the fall of Magdala, was considerably under the mark, even for the Indian expenditure was it not?—It was under the mark.

1134. And General Jameson's estimate made in England before the fall of Magdala, was considerably under the mark also, was it not?—Yes.

1135. Are you surprised at what has occurred in that respect?—I think General Jameson was aware of many facts of which I was unaware; and he was also unaware of many facts of which I was aware.

1136. Do you think he was aware of many facts connected with the expenditure in India, of which you were not aware?—From his means of access to official documents, I presume he must have been.

1137. What kind of information do you suppose he could have had which you would not have had?—As to the probability of the termination of the campaign, I had no knowledge whatever of that; it was a mere estimate on my part.

1138. But as to the rate at which expenditure was proceeding, do you suppose that anyone in England had as good information as you had?—I was aware that telegrams were being daily transmitted by the Government of Bombay to England; but I was not aware to what purport they were; they might have treated of what the rate of expenditure was.

1139. Can you state whether any charge, and if so, what charge was laid upon the Government in respect of fresh levies made in India to replace the troops taken to Abyssinia?—There were several claims made on that account, but they were not based in accordance with the instructions that had been sent out from England, and the result was that they were sent back to Calcutta for re-consideration; nothing yet has been charged, although it has been estimated for.

1140. *Chairman.*] You have stated, in reply to an honourable Member, that the circumstances defeated all estimates?—I mean the circumstances altogether.

1141. But you told the Committee a very short time before, that you actually made an estimate six weeks after you arrived at Bombay, that it would cost upwards of five millions?—I made no estimate; that was a mere memorandum or calculation of my own, it was never out of my hands.

1142. You stated, did you not, that there were facts which came to your cognisance, from which you inferred, six weeks after you arrived in India, that the Abyssinian Expedition would cost upwards of five millions?—Such was the case.

1143. Were there any memoranda for that estimate, or what were your grounds for making such an estimate?—The large quantity of stores that were daily bought, and the large number of ships that were daily being chartered.

1144. You have also stated, in answer to the Right honourable Baronet on my right, that in July you would have better materials on which to form a basis than you could have had in March, your July estimate being 5,350,531 *l.*?—In July my information was very deficient on many points.

1145. You stated that in July you were in a better condition to submit an estimate than you could have been in March, the July estimate being 5,350,000 *l.*; but let me remind you that two months before March, namely, at the beginning of January, you estimated, or believed, that the

the expense would be above five millions, did you not?—That was mere belief on my part. I never put the figures down on paper.

1146. You stated, did you not, that you became aware, six weeks after you arrived at Bombay, that the expense would exceed five millions?—I said that I myself conjectured that it would approach that amount.

1147. You were then, seemingly, in as good a position to make an estimate as you were in July; the estimate was approximately the same in both cases, was it not?—In the one case I went into details, in the other case I never thought of the details, nor thought of placing my ideas on paper.

1148. I think you stated that you were expected to communicate all points of interest to the Home Government?—I did so, as far I was able.

1149. Do you not think that it would have been of very great interest to the Home Government to have known as early as January that your estimate exceeded five millions?—I was not aware while I was in Bombay, whether or not the Government had formed that conclusion themselves; I never knew what the estimate was.

1150. Did you not know of the proceedings in Parliament in November?—I did not.

1151. Were you not aware that it was put before Parliament that the expedition might be terminated at a cost of about three millions and a-half?—I saw that about the middle of January 1868.

1152. At that time had you formed an opinion that the expenditure in India would exceed five millions?—Yes.

1153. Would you not infer that it would be a point of great interest to the Home Government to know that your calculation had exceeded theirs?—I was not able to verify my figures in any way, and therefore I did not communicate them. On the 14th of July I was able to verify them, and then I sent them.

1154. You spoke very decidedly as to the opinion which you formed in January, did you not?—But that was quite a private opinion of my own. I remember seeing those figures in "The Times" report of the Debates in the House of Commons, and I remember saying to myself, surely this will not meet the expenditure, this is under the mark.

1155. You stated that you formed no estimate as to how long the war would last; did anybody ever estimate that the expedition would close at an earlier date than that at which it did close?—I think in some circles in Bombay it was considered that either there would be a success achieved before March, or that the troops would return before the rainy season set in.

1156. Did anybody ever suppose that General Sir Robert Napier, having landed in Abyssinia after New Year's Day, on the 3rd of January, would reach Magdala before April, or did you ever hear any opinion from any professional man, that the war if pursued up to Magdala would terminate in less than three months after the landing of the troops?—The first notion was I fancy that Magdala would have been reached long before that, but there were difficulties at every stage.

1157. Was that the professional opinion in Bombay?—No one in Bombay was in a position to form an opinion upon the subject.

1158. Did you ever hear any opinion of any value from any one that Magdala could be reached before April?—No.

1159. Then no one ever estimated that the expedition would terminate earlier than it did terminate?—Of that I am not aware.

1160. Was it the calculation at Bombay that the objects of the expedition would be accomplished without a march to Magdala?—I do not think so.

1161. You stated that provisions were laid into Abyssinia to maintain the troops for a time many months longer than they were in Abyssinia; was not that always an element of calculation in estimating the cost of the expedition?—It was only about the end of the month of February that very large supplies were laid in for that purpose.

1162. Was it not always an element in the calculation of the cost, that a second year in Abyssinia was a possibility?—Not with me.

1163. Was it not an element of calculation with the authorities at Bombay, that there was the contingency that we might fail in the first season?—I am not aware of any such opinion.

1164. You have spoken of the extra expense; I wish to ascertain whether the expense to which the Government was subjected in provisioning the expedition for several months longer than it was in Abyssinia, was not always a part of the calculation?—There were no reliable data to go upon as to whether the release of the captives would be effected.

1165. From the very first, would any one have regarded it as safe to leave the expedition unprovisioned?—No.

1166. Then these provisions for an extended period would be no extra expense at all?—I think towards the month of February the supplies and provisions were vastly increased, and further supplies were taken in than had been previously calculated upon.

1167. Would you suppose that any responsible commander would have taken his troops into Abyssinia and provided them with no more provisions than were necessary for the shortest possible time in which he could execute his object?—I fancy that the impression at first was that provisions could be obtained in Abyssinia; but in consequence of only small quantities being obtainable there, they had to be sent from Suez or Bombay.

1168. Are you aware that it was at a very early period ascertained that provisions could not be obtained in Abyssinia?—I am not aware of that.

1169. You stated that you met with no extravagance in the conduct of that expedition; are you aware that the owners of vessels employed for 12 or 13 months, were paid as much for hire as the vessels were worth?—That might have been so in some cases; but it would require a professional opinion to answer that question.

1170. Would not that upon the face of it give an aspect of extravagance?—I think not. The vessel was absolutely required for the service of the expedition.

1171. Do you think that if ships were paid 25 *l.* per ton during their hire there, there was not extravagance?—No. Those ships were required to take provisions for the troops who might be left starving.

1172. Were you not struck with the extravagance of the charges that came to you for mules?—I believe there were a very large number of

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mules purchased, and the number struck me as very extensive.

1173. What was the price?—The price varied according to the possible means of obtaining those mules.

1174. Was as much as 80 *l.* per head paid for mules?—I do not remember any case of 80 *l.* per head having been paid.

1175. What was the highest price that you remember?—I do not remember. Many were bought at 250 rupees, or 25 *l.*

1176. Did not that strike you as an extravagant price?—No.

1177. You will not say that there were not mules bought at 80 *l.* per head?—I do not remember.

1178. I am speaking now of what must have come to your knowledge in the discharge of your duties; did accounts come through your hands, setting out that such a sum as I have mentioned was paid for mules?—If they were set out at that rate I should have seen it, but I do not remember it.

1179. Do you think that 7 *l.* a ton for coal was an extravagant price?—I thought it very high at the time; but there was only one case, I fancy, in which 7 *l.* a ton was paid.

1180. Mr. *White.*] I understand that you were sent out by the Treasury to supervise the accounts and to report to the Treasury, was that the case?—I was to report to the Treasury on certain points arising out of the examination of those accounts.

1181. When you formed the opinion that the amount of expenditure, which it was the official belief in England would be incurred, was much less than was likely to be incurred, did you, or did you not, think it your duty to communicate that fact to the Treasury?—As soon as I possibly could I sent home an estimate to the Treasury, based upon what I considered to be reliable figures, as far as practicable.

1182. You stated, in reply to some questions, that you did not communicate with the Treasury when you saw that the expenditure was likely to be exceeded; did not that reluctance on your part arise from the fact that the constant telegraphic communication between Bombay and the Government at home induced you to believe that they would perhaps be better informed here than you were there?—I certainly thought that the Home Government were kept alive to all the points concerning the expedition.

1183. Of course you are aware of what passed in the House of Commons (where your name was mentioned, and mentioned with credit), on the 4th of March of this year?—I was aware of it.

1184. Are you aware that the Chancellor of the Exchequer, Mr. Lowe, in addressing the House on the 4th of March of this year, and asking for a vote of three millions, said he regretted that he was not able to accompany it with a more satisfactory explanation, but that unhappily he was not then in a position to do more?—Yes, I have read that quotation.

1185. Do you also know that the Chancellor of the Exchequer stated that, since the telegram of the 17th of December 1868, he had no further official information from the Indian Government?—Yes, I have read that.

1186. Can you explain this reticence on the part of the Indian Government in giving information?—I am not aware to what extent information was given by the Bombay Government to the Home Government.

1187. Was it or was it not your belief that the fullest information was given by the Bombay Government to the Home Government?—I know, as regards the actual cost of the expedition, that it was the subject of many telegrams; but the nature of the telegrams I have never read.

1188. Are you not surprised then, that such a statement as this should have been made in the House of Commons, that since the telegram of the 17th of December 1868, no further official information had been received from the Indian Government?—Information was, I imagine, obtainable, although not from the Indian Government.

1189. Are you aware that the Chancellor of the Exchequer then told the House of Commons that what information he had was "compiled from very rough accounts sent home by Mr. Turner, a gentleman who was sent from this country to superintend the expenditure in India"?—I read that with great surprise.

1190. Then in fact you did not superintend the expenditure in India?—I merely scrutinised the charges.

1191. And you did not superintend the expenditure in India?—Certainly not; and moreover I sent home no rough accounts. Those accounts were sent home by the Government of Bombay.

1192. Then, in fact, you were not sent out by the Treasury, to superintend the expenditure in India, and you did not correspond direct with the Treasury?—Yes; I corresponded with the Treasury, and I sent home, not the accounts themselves, but copies of those accounts. Those accounts were sent home by the Bombay Government to the India Office.

1193. Then I find that the Chancellor of the Exchequer says, that "according to Mr. Turner's estimate, the Indian Government had expended 7,040,000 *l.*" Seeing that was said on March the 4th, have you any reason to believe that the total expenditure in India will be in excess of 7,040,000 *l.*?—I framed an estimate on the day before I left Bombay of the total charge, which total, included in the actual amount already sent, was a net sum of 6,829,973 *l.* If I may be allowed to explain, that is a total estimate of mine, and not the actual figures including actual expenditure.

1194. It is said that "this estimate is taken from very rough accounts, furnished to us by Mr. Turner, from Bombay, and can only be taken as a general approximation;" and in fact the Chancellor of the Exchequer says in another part of his speech, that perhaps that amount may be exceeded; however, that is not likely to be the case, is it?—That total was sent home from Bombay in December 1868; I left in April, and the total then of the accounts, as far as I could make out, was a net sum, as I said before, of 6,829,973 *l.*

1195. Then, in point of fact, your estimate and the total expenditure at that date are within 150,000 *l.* of one another, are they not?—They are.

1196. Are you aware that the Chancellor of the Exchequer said, "I have nothing to add, beyond the remark that those accounts are in some respects more meagre than I could have wished"?—I think that the word "Accounts" ought to read "Estimates." If that alteration is made

made, it really represents the facts of the case. They were not accounts at that time.

1197. Has your attention been also directed to what was said by the late Chancellor of the Exchequer, Mr. Ward Hunt, on the same occasion?—I think so.

1198. He said, that "after Parliament had adjourned, it was not until the 10th of August that the late Government received any information of an official character from India that led us to suppose that the original estimate of 3,500,000 *l.* would be exceeded"?—I presume that that was on receipt of my estimate, dated the 15th of July, from Bombay.

1199. Then would it not really seem that the Home Government had not that amount of information which you supposed that it had?—I was totally unaware of what information the Home Government possessed up to that time.

1200. Are you aware that the House of Commons were told by Mr. Ward Hunt that, after Parliament had adjourned, the late Government were informed by you that, according to the best calculation you could make, the expenditure in India would be 5,350,000 *l.*?—That was on the 14th of July, but there is a qualifying note to that estimate.

1201. From what Mr. Ward Hunt said, would it not seem that he had a more correct notion of what your duties were in India than the present Chancellor of the Exchequer?—Yes, I was appointed by Mr. Ward Hunt to proceed to India.

1202. Mr. Ward Hunt said that "Mr. Turner had been sent out by the late Government to examine the accounts in India, and it was only justice to that gentleman to say, that from the great energy and ability that he had displayed, the confidence in the late Government in him was fully justified, and he felt sure that the Chancellor of the Exchequer could fully rely upon that gentleman's figures." Then Mr. Ward Hunt goes on to say, "It was, no doubt, an appalling sum that they were now called upon to vote." Can you succinctly say to what items you particularly refer for the enormous excess of the expenditure?—The long continuance of the pay of the transports, the extra pay to the troops long after their return to India, and the conveyance of all the troops by railway to their stations in India.

1203. Sir *Stafford Northcote.*] What was the amount of the donation batta?—I estimated it at 130,000 *l.* in India; but that was prior to the navy being allowed to take part in the batta. The actual payments up to the end of March were 92,913 *l.* in batta. There were large payments of batta, I may mention in England, and of those I have no knowledge.

1204. Mr. *Seely.*] Is there any account yet unsettled with the Indian Government?—I fancy there are many accounts yet unsettled; the payments which have been made from time to time have been in the shape of advances by the Treasury to the Indian Government.

1205. Is there anything for supplying other troops in consequence of the withdrawing of Indian troops for Abyssinia?—There were charges incurred on that account in Bombay.

1206. Is it yet settled whether those charges are to be paid or not?—The fact is settled that they are to be paid, but the rate is not settled.

1207. Mr. *Baxter.*] Are you aware that there are a number of outstanding claims at this moment?—The accounts have been sent over from time to time. I am not aware whether the actual total amounts of those claims have been paid.

1208. Are you not aware whether there are a number of outstanding claims not settled?—I believe there is a large amount outstanding in Bombay which has not yet reached England.

1209. I am speaking of accounts between contracting parties and the Indian Government, and not between the Home Government and the Indian Government?—I think that the estimate which I have prepared will take in all outstanding liabilities.

1210. But there are liabilities at this moment outstanding which are not decided, are there not?—Not to my knowledge, or not to any magnitude.

1211. Mr. *Christopher Denison.*] With what department of the Government in Bombay were your business relations chiefly?—The military department at Poonah, distant 110 miles; so I had to be constantly moving from one place to another.

1212. You were on terms, I conclude, of cordial official relations with those departments; that is to say, that you consulted together?—Yes.

1213. Were you, also, constantly in intercourse with the Governor of Bombay?—I saw the Governor of Bombay several times officially; he sent for me on many occasions for information; I suppose he thought I could give the information better than other officers of the department, who were absent at Poonah.

1214. The sixth paragraph of your instructions gave you to understand that it was not "that it is not the intentions of my Lords to transfer to you any portion of the responsibility, either financial or otherwise, involved in the arrangements for the expedition, or to give you any power of interfering." According to the tenor of that instruction, would you have been prevented from offering any opinion as to the estimates for that expenditure?—I think not.

1215. Did you consider yourself at liberty to offer any opinion?—I am not aware that there could be any opinion upon the estimate, but I should have considered myself at liberty to make observations.

1216. It was put to you that statements had been made in Parliament, that the expenditure would be three millions and a-half; and that you had by that time made your own estimate of upwards of five millions; according to the tenor of your instructions, was there anything to prevent your bringing that prominently before the Government of Bombay?—I made no estimate after reading that till the estimate of the 14th of July of 5,350,000 *l.*, this discussion having reached Bombay about April.

1217. *Chairman.*] Had you anything to do with the preparation of the estimate which was prepared in March 1868?—No.

1218. Sir *James Elphinstone.*] I find in a minute from Sir Seymour Fitzgerald, dated Bombay, 6th May, that on the 1st December a telegram was received from Sir Stafford Northcote, and referred to the Accountant General and Comptroller of Military Accounts on the 3rd, an answer being sent on the 9th; the amount being then stated 5,750,000 *l.*, is that so?—That was based upon the estimate framed by myself.

1219. When a supplementary account of ex-

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penditure at Calcutta, and in the Punjaub, and of transport expenditure in Abyssinia, not before rendered, came to hand; that necessitated a revised estimate of 7,000,000*l.*?—Such was the case.

1220. Was that telegraphed home?—I might explain that that first estimate of 5,750,000*l.* was framed by me in Bombay. Ten days afterwards I proceeded to Poonah, and there I saw a mass of papers, and I then made up that second estimate, which came to 7,039,000*l.*

1221. And that was telegraphed home, I presume?—I wrote to the Secretary of the Government with the object of its being telegraphed home.

1222. And a change of Government took place in this country about the 2nd of December; consequently that telegram must have come to the present Government, must it not?—I should imagine so.

1223. Then they must have been, by the 20th of December, cognisant that 7,000,000*l.* would be the smallest cost of the expenditure, must they not?—I should imagine so. Sometimes a elegraph broke down.

1224. The first we heard of it in Parliament was on the 4th of March, was it not; and consequently the Chancellor of the Exchequer bottled that fact up for three months?—I wrote on the 10th of December, and I sent home a statement from Bombay showing that the expenditure would be 7,039,000*l.* That reached England by the first week in January.

1225. And we heard of it in Parliament by the 4th of March?—Yes.

1226. Colonel *Barttelot.*] When the Chancellor of the Exchequer made his statement in the House, the whole of those accounts had been sent home to the Treasury, had they not?—They had been sent home. The Bombay Government had sent them home. I had access to the documents, and as soon as the charges were consolidated in the account, the account was sent home officially.

1227. Should you say that that account was a rough estimate, or a tolerably accurate account?—It was not only a detailed account, but every item of charge was thrown into a schedule. Every item of expense was shown distinctly, and every item was vouched for; there were 4,000 or 5,000 vouchers sent home in some packets, and they weighed some hundred weight.

1228. Then would you think it an accurate description to call that a rough estimate?—I think not; they were actually vouched and supported accounts.

1229. Mr. *Seely.*] You state, do you not, that the accounts were sent home by you?—Monthly, as soon as they were prepared by the Bombay Government.

1230. It appears from the Appendix, Paper No. 1, that the latest accounts that the Chancellor of the Exchequer could have had, when he spoke on the 4th of March, would be sent home on the 21st of January; he could not have been in receipt of the subsequent one on the 24th of February, could he?—The 21st of January would have been the last account.

1231. To what time was the account made up?—That account was a supplementary account up to June 1868, but the charges previously sent home had been up to September 1868.

1232. Therefore, when he spoke on the 4th of March, in the House of Commons, he would only have had in his office the accounts up to the 10th of September, or some date in September, would be?—He would have had all but the last five accounts.

1233. But he would only have had the account up to September 1868?—Yes.

1234. And of all subsequent accounts he was not in receipt?—They were not then prepared.

1235. What was the total amount of the account sent home to him according to this document, when he spoke on the 4th of March?—£. 5,564,168.

1236. Were those the only accounts which had been audited and vouched for, and of which he was in possession?—Those were the only accounts in this country I presume.

1237. *Chairman.*] What was the object of your sending home copies of the accounts; the accounts themselves, as I understand you, came from the Government of India?—They formed the substance of official letters, and I thought that it would be desirable that those copies should be lodged at the Treasury. Generally speaking, those copies reached the country some weeks in anticipation of the account itself.

1238. Have you returned to your post at the Admiralty?—I am at present attached to the Treasury, since my return from India.

1239. Could you furnish any analysation of those accounts if instructed by the Treasury so to do?—Undoubtedly, as far as in my power. I might mention that the actual accounts themselves are not with me, but they are in the War Department, and in the Admiralty Department.

The Honourable ROBERT DUNDAS, called in; and Examined.

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1240. Sir *John Hay.*] YOU were Storekeeper General of the Navy until March last, were you not?—I was.

1241. You are, therefore, cognisant of the arrangements which were made by the Admiralty with reference to the supply of coals for the transports sent from this country to Abyssinia, and for the supply of coals for the transports engaged in the Indian service for the Abyssinian Expedition?—Yes.

1242. Will you state to the Committee, first of all, what the arrangements were with reference to the supply of coal for the transports taken up in this country, and sent to India for that service?—It was on the 22nd of August 1867 that I first heard of the intention to send transports to India from England. The greatest possible urgency was required, and I felt that it would be altogether unsafe to depend upon public contractors; I therefore submitted to the Board of Admiralty the expediency of following the precedent which had been adopted by Sir James Graham, on my own recommendation, on the occasion of the war against the Russian empire in 1854, and I submitted to the Board, on the 24th of August, the mode of proceeding which I recommended for adoption with regard to the stations in Africa, which required to be supplied immediately with coals before the transports, which were to be taken up in England, could reach

reach those stations. The mode of proceeding proposed was approved by the Board of Admiralty. It immediately afterwards became evident that nothing could be done successfully towards getting the requisite supplies to the Cape of Good Hope and to Ascension except by steam. Everybody concerned in the business saw that in order to succeed, a most expensive arrangement would be necessary, but there was no alternative but to send the coals by steam, or to give up the chance of having them there in time for the transports, which were to leave England as soon as they could be engaged and fitted, and all the arrangements for their dispatch from England completed. It was a complete race against time, and money only could give a chance of success. That applied to the engagement of steam-vessels, to a certain extent, to take coals both to Ascension and to the Cape of Good Hope; the other stations, the Verde Islands and the Mauritius, were supplied by the ordinary local naval contracts in existence for the usual naval services; and all that was required with regard to those two stations was to invite the contractors to increase their own stores at those stations, to meet the expected requisitions for the transports from England. Whether or not the store would be more or less than the contractors would be able to send out at the time the transports arrived, was altogether problematical. If they were put to extra expense, as they certainly would be, in providing for the possible wants of transports proceeding from England to India, and the coals ultimately were not required, it became certain that a fair amount of compensation was due to the contractors for any extra expense which they had incurred exclusively for the convenience of the Government and for the national object of the expedition; but whatever coals were to be supplied would be at the ordinary contract price existing altogether prior to the expedition. Those stations at which contracts did not previously exist were supplied through commissioned agents, employed by the Admiralty to engage the freight, and find the coals, and ship them, and insure them, and to pay all the expenses, and do the whole business, at a fixed rate of commission for all the trouble and expense which the business required from them. These were the modes of proceeding adopted for supplies at the stations which I have named. The Board of Admiralty requested the Peninsular and Oriental Mail Packet Company to increase their store of coals, at Bombay and at Aden, to meet the wants of the expedition. The Peninsular and Oriental Company agreed to do what they could. The extent to which they could meet the views of the Admiralty was specified at the first outset of the expedition. What they might be able to do to meet the views of the Government, from first to last, they could not tell, because they did not know at the beginning; it required time and arrangement, in the face of a very adverse market, to know to what extent they could meet the views of the Government, if the wants of that service should be very large. I believe it to have been the most wise, efficient, and sensible arrangement that could possibly have been adopted at the outset of those proceedings; and I go further and I say, that if no such contract as the mail contract had existed at the time, and the appliances and facilities which the arrangements of the Peninsular and Oriental Company afforded, had not been forthcoming and available for the Government, I do not myself believe that the Government in London would have been able, between the month of August and Christmas, to have made any arrangements by which that expedition could have been started at the time it was started, and in the complete manner in which it was started, so far as I have ever heard; therefore I consider that the assistance obtained from the Peninsular and Oriental Company was most wisely and most justly towards the company, as well as to the public interests adopted by the Government for the purpose of effectually providing for the wants of the service in India.

1243. Can you state to the Committee what amount of coal was required at Liverpool (at the beginning of the voyage) to coal the 13 transports which were about to leave England for that service?—£. 13,516 was paid for the coals at Liverpool, and 14,684 tons were supplied to the transports at Liverpool.

1244. I think you stated to the Committee that it was on the 22nd of August that those instructions were given and those arrangements were made?—Yes.

1245. And that on the 24th of August you commenced to make those arrangements?—Yes.

1246. Could you state to the Committee whether there was any difficulty, within your knowledge, in obtaining that supply of coal in sufficient time to be put on board at Liverpool, which was required?—There was a strike of the labourers or shippers, or of the men who are necessarily called upon to put the coals on board the vessels.

1247. Are you aware that the Admiralty sent men from the ships in the neighbourhood, and so prevented exorbitant demands?—Yes; it was done from the "Donegal" and other ships, I believe.

1248. Are you aware of the amount of coal which the contractor is bound to have on hand, and which is ordinarily kept at the Cape de Verdes?—I cannot tell that, but it is a small amount.

1249. What was the amount to which he was obliged to raise it?—He was required to provide 6,500 tons.

1250. And within what time?—Immediately; as soon as the colliers could be loaded in Wales, and towed out of port to sea.

1251. The instructions of the Admiralty were, if I remember right, that the transports must arrive at Bombay before the conclusion of the month of November, to take part in the expedition?—Yes.

1252. Was there any other means of arranging for coal at the Cape de Verdes, at St. Helena, at Ascension, at the Cape of Good Hope, and at the Mauritius, than that which was taken?—None whatever, that I know of, on which the Government at home would have been in the least justified in placing confidence.

1253. Are you aware that reliable statements on authority were afforded to the Admiralty, that not only in the Government charge, but in Cape Colony, the supply of coal did not amount to much over 3,000 tons?—The naval depôt at Simonstown was nearly exhausted, from causes wholly irrespective of the anticipation of an expedition to Abyssinia. Measures had been taken in the month of May to replenish it for the ordinary naval service of the Cape of Good Hope, and those coals could not possibly have

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reached the Cape of Good Hope in time for this expedition, but we were informed that upon merchants accounts there were about 3,000 or 4,000 tons at Table Bay or on the passage out, and the Admiralty reckoned upon being able, if these coals ever got there at the proper time, to use them as a source of supply which the Commodore and senior officer on the station could purchase if he wanted it. The Admiralty speculated upon the fact that they were informed that that quantity was on the passage, or at Table Bay, and then measures were taken to send out a further quantity (which it was thought would be immediately required) to the Cape of Good Hope by steam, so as to avoid as much as possible the risk of any detention of the transports leaving England at the Cape of Good Hope from the want of coals; the expense incurred in sending them by steam so as entirely to prevent expense as well as most serious inconvenience to the public service, if there had not been a sufficient supply of coals at the Cape, including purchases from local merchants at Table Bay, including the stores at Simonstown, and the proportion which might reach the Cape in time if that expense was incurred.

1254. Is it not the fact that one of the transports, the "Bosphorus" arriving at Cape Town, in advance of the steam colliers by two days, was sent to the eastward to New London to look for coal, and was there lost?—That vessel, if I recollect rightly, left for the purpose of seeking coal at some other place. I believe that she passed one of the steamers entering the bay, as she was going out of it.

1255. But the impatience of her officer caused the loss of the ship, did it not?—He did not like waiting, and he left the bay while another steamer was actually entering it with the coals, and the vessel was lost.

1256. What was the amount of coal sent out in steam colliers to the Cape of Good Hope for that great emergency?—Six thousand eight hundred and seventy-one tons went by steam.

1257. And what was the cost of delivering that at the Cape, including the freight of the steam transports, and the return voyage?—The average by steamers was 6*l.* 9*s.* 5*d.* per ton, as against the ordinary sailing rate. In the sailing ships sent at the same time there was not much excess of freight at all; it was 2*l.* 7*s.* per ton.

1258. Then there was about 4*l.* a ton paid upon this special emergency for 6,871 tons of coal, without which this expedition would not have proceeded?—Yes; as I stated just now, it was a race against time, and the question was which would get there first, the steam colliers or the steam transports, and I believe the colliers had the best of it and got there first.

1259. With regard to the supply of coal at St. Helena and Ascension, what is the ordinary stock which is kept there?—None at all at St. Helena on naval account; at Ascension it is 2,000 or 3,000 tons. It never ought to be much if it can possibly be avoided, because the Welsh coal, which is chiefly used in the navy, deteriorates so rapidly that it is always an object with the Admiralty to keep the stock as low as possible, and to replenish it as frequently as they can; but in the ordinary store at Ascension there was no provision whatever for transports going to India, and, therefore, it became necessary to send them by steam to Ascension.

1260. What was the amount of extra coal sent to Ascension?—Nine hundred and sixty tons went in steam vessels, and 2,606 tons went in sailing vessels.

1261. What was the amount of extra charge paid to the contractors at the Cape de Verdes and at the Mauritius for increasing their supply of coal to be supplied at the ordinary rates?—There was no extra charge upon the coal supplied, but claims were made which I, in September 1867, stated that I thought must inevitably be preferred, if the whole of the coals ordered by the Admiralty to be provided by the contractor solely to meet the exigencies of the public service at the Cape de Verdes and at the Mauritius were not used; they were not all used, and in consequence of that expense having been incurred by the contractors, and the coals being left upon their hands, they asked for some compensation for the premature and unnecessary expense, so far as they were concerned, that was imposed upon them; and, after consideration (and I thought their claim was very moderate), the Admiralty approved of their being paid.

1262. Do you remember what the amounts so paid were at the Cape de Verdes, and at the Mauritius?—At the Mauritius they were paid 2,000*l.* compensation; at the Verde Islands they were paid 825*l.*

1263. Was that sum of 2,825*l.* all that was paid on account of compensation for coals for the expedition outwards?—Yes.

1264. With regard to the contract with the Peninsular and Oriental Company at Aden, and at Bombay, taking Aden first of all, can you state the figures as to the amount at which they undertook to supply coal to the Abyssinian Expedition?—They purposely, and, as I think, most wisely, declined to state any price at all.

1265. But what were the prices charged?—The prices charged have averaged 71*s.* 6*d.*, I think, at Bombay. By the Admiralty order of the 6th July 1868 the Peninsular and Oriental Company's claim for 73*s.* per ton for coals supplied at Bombay and Aden, subject to a deduction of 1*s.* 6*d.* per ton for such cargoes as were taken direct from the colliers, was the rate which was sanctioned. On the 24th of September 1867 the directors stated to the Admiralty that they thought it right to mention that although they were using every means in their power to obtain tonnage upon the most moderate terms, yet, owing to the rise in the freight market, the rates for the whole quantity required at Bombay and Aden must of necessity be considerably in advance of those recently charged. Then on the 30th of January 1868 they stated, with regard to the prices, "the directors anticipate that for Aden they will average 73*s.* per ton, and for Bombay 72*s.* a ton, free on board"; but they never entered into an engagement to supply the coals at a fixed price per ton, including all charges, and under any possible variety of circumstances.

1266. Sir *Patrick O'Brien.*] Did the Admiralty ask them to do so?—Certainly not.

1267. Sir *John Hay.*] The Peninsular and Oriental Company had been in the habit, at Aden, of attending to the wants of Her Majesty's ships by an implied arrangement, had they not?—It was the only source of supply to the navy.

1268. There is no means of obtaining storage for coal at Aden of any kind, is there?—There is no depôt, or plant, or property of any sort or kind that I know of which belongs to the Admiralty at Aden.

1269. Are

1269. Are there any boats or lighters to be obtained, or are there any means of supplying ships at Aden except those within the power of the Peninsular and Oriental Company?—None that I have heard of.

1270. Therefore it would seem to have been the only means by which, with the rapidity of the telegraph wire, coals could have been arranged for, in the eastern seas, for this expedition?—I think that it was a most fortunate circumstance that the facility for conducting that service existed; and I do not myself know what arrangements would have been practicable within the time if that had not existed.

1271. In that way Aden became a depôt for Annesley Bay, did it not, there being no other means of obtaining any other depôt from which coals could be drawn?—Undoubtedly.

1272. Is it your opinion, that had it been determined, as has occurred on former expeditions, to keep coals afloat in vessels hired for the purpose, or in vessels on which demurrage is paid, a greater sum would have been charged to the Crown for the amount of coals which had been supplied than if these arrangements had been entered into?—I think it is always the most expensive arrangement which one possibly can adopt to incur demurrage if one can possibly avoid it.

1273. And there was no means of placing the coal, either at Aden or at Annesley Bay, in any economical way, or at any place in which it could be stored in safety, was there?—Not that I know of.

1274. Have you anything to state to the Committee with regard to the arrangements at Bombay?—I know nothing of them.

Hon. *R. Dundas.*

13 July 1869.

Friday, 16th July 1869.

MEMBERS PRESENT:

Major Anson.	Sir John Hay.
Colonel Barttelot.	Mr. Holmes.
Mr. Baxter.	Mr. Mundella.
Captain Beaumont.	Sir Stafford Northcote.
Mr. Candlish.	Sir Patrick O'Brien.
Mr. Eastwick.	Mr. Seely.
Sir James Elphinstone.	Mr. Charles Turner.

JOHN CANDLISH, Esq., IN THE CHAIR.

The Honourable ROBERT DUNDAS, called; and further Examined.

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1275. Mr. *Mundella.*] I THINK you stated to the Committee that you gave a *carte blanche* to the Peninsular and Oriental Company at Aden and Bombay to supply coals?—I did not state that I gave a *carte blanche.*

1276. You placed the entire supply of coals, at Aden and Bombay in the hands of the Peninsular and Oriental Company, did you not?—Yes.

1277. And you did that without any contract, did you not?—Assuming that the essence of a contract is a fixed price, it was without a contract.

1278. Was it without any negotiation as to price?—It was not without any negotiation as to price; but the company were not required absolutely to fix the price, because it was felt that, in order to protect themselves from the possibilities of a great advance in the rates of freight and other contingencies, a higher price might have then been named than would ultimately have been absolutely necessary.

1279. Were any steps taken to invite competition?—None whatever, and purposely none.

1280. Will you explain why no steps were taken to invite competition?—Because I, for one, was of opinion, and I believe that the Board of Admiralty were of opinion, that nothing would have been less conducive to the public interests than exciting the market for freight by a public and open competition against the Peninsular and Oriental Company, as well as against the Government, who would have gone into the market against the company; and that the company, in carrying on the ordinary mail service, which was of the utmost importance to the nation, also would have been most unjustly treated, according to my opinion, if the Government had gone into the market, to raise the price of freight against the company, and at the same time required them to perform all the duties of the mail service during the war.

1281. Then, did you do it partly out of consideration for the Peninsular and Oriental Company?—I did it solely, as far as I was personally concerned, out of consideration to the nation and the public; the public was interested in not embarrassing and hindering the postal service during the war.

1282. Do you think that your going into the market to get coals supplied by private contract would have embarrassed the public service or the postal service?—It never was held as a principle for the Government of the country to adopt to go into the market, as you term it, for a private contract for coals; it never was the custom, or at least I have never known it done during half a century.

1283. Was not the bulk of the coal which was consumed in this expedition supplied from Bombay?—No; a large portion was supplied from Bombay. I am speaking of what the company supplied under the understanding with the Admiralty. I am not speaking (for I have no official knowledge) of any purchases in India.

1284. Was not more than half the coals supplied to the expedition from Bombay?—I may be corrected, to a certain extent, though not, I believe, very materially, by other evidence; but I believe the total quantity supplied to the Admiralty by the Peninsular and Oriental Company at Bombay was 48,889 tons.

1285. And what was the quantity supplied at Aden?—Fifty-one thousand and fifty-six tons.

1286. The quantity was pretty nearly equal at the two places, was it not?—But there was some at other places too; at Suez there was 10,800 tons.

1287. You paid 73 *s.* per ton, I think, at Aden, and 72 *s.* at Bombay, to the Peninsular and Oriental Company, did you not, for the bulk of those coals?—Unless I am misinformed, the prices at Bombay were 3 *l.* 10 *s.* 6 *d.* per ton, and at Aden 73 *s.* 6 *d.*, including all charges, I believe, of putting the coals on board.

1288. Did you not pay 90 *s.* for 3,000 tons?—I do not know; not under any agreement made in London.

1289. You were Storekeeper General of the Navy at that time, and you had been accustomed to supply coals to those different depôts in different parts of the world, had you not?—I had the honour to serve the Admiralty throughout the whole of the Russian War of 1854, 1855, and

and 1856; and it was through the Naval Store Department that the whole of the coals were supplied to the allied fleets in the Baltic, in the Mediterranean, in the Pacific, and wherever the Navy in conjunction with the French Navy were employed, and also the arrangements made for the supply of the Turkish Government, and, if I recollect rightly, also the Sardinian Government; the whole business passed, I do not say, through my hands exclusively, but I was cognizant of the whole of the arrangements from beginning to end.

1290. Are you perfectly well acquainted with the ordinary price of the best Welsh steam coals, and with the freights to the distant markets?—Under ordinary circumstances I am; but I cannot, and could not in 1867, believe, after the public had full knowledge of the fact, that an expedition involving a large consumption of coals, and the greatest possible pressure as to time and urgency in getting them to the spots required, that the service would be performed at the ordinary rates of freight in time of profound peace.

1291. Then do you think that the mere fact of your inquiring of the contractors at what price they would deliver coals by steam to Bombay and Aden would have doubled the price of coals?—I did not fix any limit as to whether it should be doubled, or anything else; but it would have made a most material difference in the rate of freight.

1292. Can you tell the Committee what has been the average price of the best Welsh steam coal for the last two years?—The Admiralty can give that information to the Committee without the slightest difficulty; I am not prepared to undertake to give it without reference to the official accounts.

1293. Can you inform us what has been the price at Cardiff, for instance, the last two years?—When you come to deal with large quantities of coals in the East Indies and on the coast of Africa, the price of the coal at the pit's mouth, or delivered on board the ship at Cardiff, or Newport, or at Sunderland, or anywhere else, is a very small part of the expense.

1294. The price depends upon two things, does it not, first the price at Cardiff, and then the rates of freight and insurance to the port of destination?—Yes.

1295. What have been the prices of coals at Cardiff, and what have been the average rates of steam freight to Bombay during the last two years?—I will not take upon myself without the official accounts to give those figures; there would not be the slightest difficulty in getting them, but I am not prepared to give them.

1296. But what is the usual rate which you have been accustomed to pay, for instance, for steam coals at Cardiff, and for freights out to Bombay?—If you are speaking of coals from the pit's mouth, or delivered on board at Cardiff, the price depends upon the colliery from which they come; they are not all alike.

1297. But I am speaking of the best steam coal?—The best are not always those which are best for exporting to Bombay; there is a great deal more involved in the question than you seem to think.

1298. Does the price fluctuate more than from 6 *d.* to 1 *s.* a ton?—I wish it did not, but I know it does; the prices paid at Aden in 1866 and 1867, which was the year before this expedition, ranged from 65 *s.* 6 *d.* to 76 *s.* 6 *d.* at Aden, and in 1865 from 60 *s.* to 65 *s.*

1299. Was that the price which you paid at the Admiralty for steam coals during those years?—No; those were the prices paid by the Admiralty to the Peninsular and Oriental Company; the Admiralty, as far as I know, never had any depôts in the Red Sea, or at Bombay, or at Aden.

1300. I understand from your reply, that the price paid in ordinary times is from 65 *s.* 6 *d.* to 76 *s.* 6 *d.*, and that for this expedition the average price was about 73 *s.*; was that so?—Yes.

1301. What was the price paid at the Cape for the coals consumed by this Expedition?—For the portion of the coals which was sent out by steam vessels, the average price of the coal was 6 *l.* 9 *s.* 5 *d.* per ton, and for coals sent out by sailing ships it was 2 *l.* 7 *s.* per ton.

1302. Was there a very large stock of coals left over at the Cape at the conclusion of the expedition?—Yes.

1303. Was not that a great loss?—No; because it will all come into use for the ordinary service of the Navy, and at no loss whatever.

1304. But it deteriorates, I understand?—It would not improve, there is no doubt about that.

1305. But the ordinary cost of coals at the Cape is not 6 *l.* 9 *s.* 5 *d.* per ton, is it?—No; I should say it is about an average of 2 *l.* per ton, but it may be a little under that; it varies.

1306. Are you aware that the ordinary price of steam coal delivered by steamer at Aden, is under 2 *l.* 2 *s.* a ton?—I am not aware of the fact.

1307. The Admiralty had in ordinary times been paying from 65 *s.* 6 *d.* to 76 *s.* 6 *d.* per ton to the Peninsular and Oriental Company for steam coals, when the price in the open market, delivered at Aden by steamer was 35 per cent. less; is that so?—I have memoranda showing that, in 1864, the price paid to the Peninsular and Oriental Company was 62 *s.* 6 *d.* per ton.

1308. Have you any idea of the average rate to-day for coals at Bombay?—I have no official knowledge on the subject.

1309. Would it surprise you if I should tell you that the average price for steam coals at Cardiff for the last two years has been 10 *s.* a ton or less, and that the cost of steamers freighted out has varied from 17 *s.* to 28 *s.* a ton only?—There is no statement which can be made upon commercial matters, under particular circumstances, which could possibly occasion me any surprise whatever.

1310. But I am speaking with reference to your general contracts at the Admiralty?—I am not aware that there is any precedent for an Admiralty contract in the East Indies, except for the station in Ceylon, at the port of Trincomalee; I know of no other.

1311. Can you give us the quantity ordinarily supplied by the Peninsular and Oriental Company in ordinary years to the Admiralty at Aden?—I have not the slightest doubt that the Admiralty can give the Committee the most correct accounts on the subject.

1312. Mr. *Baxter.*] I think, in your evidence on Tuesday, you said (very properly and very truly) that Welsh coal was apt to deteriorate by long keeping, and that that was one of your reasons for keeping in general a short supply; did you not?—Yes.

1313. Do you not think that there will be a heavy

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heavy loss upon the large stock of Welsh coal now at the Cape of Good Hope?—The loss will arise partly in a different manner, because in order to secure coals for the transports as soon as possible, the agents were allowed to send a portion of north country coals to the Cape of Good Hope for the transports, the Admiralty being, above all things, at that moment, anxious that coals efficient for steam purposes should be at the Cape of Good Hope to meet any possible wants of the transports going to India or returning from India. Therefore I believe that some portion (but I am not prepared to say how much) of the coals actually remaining in store, after the conclusion of the war, at the Cape of Good Hope, consists of north country coals, and though they are very inferior to good Welsh coals, fresh and in good condition for steam navigation in the navy, still they do not deteriorate in store as rapidly as the best Welsh coals do.

1314. Have you any doubt that there will be a very heavy loss upon the 11,000 tons of Welsh anthracite coals now at the Cape of Good Hope?—No, I do not admit that there will be a very heavy loss. I certainly admit that to be one of the costs of the war; but it was an arrangement which was deemed necessary in September and at the end of August 1867, to meet all possible contingencies and to prevent any disappointment to the public service or to the nation in respect to the operations of the expedition; and any deterioration of that nature in the store of coals at the Cape of Good Hope must be brought to the account of the Abyssinian Expedition. I admit that it may occasion a loss, but it was an inevitable, or at least an unavoidable, part of the expense of the Abyssinian Expedition.

1315. You gave us, on the last meeting of the Committee, the price of coal at the Cape of Good Hope, but I do not see on the evidence that you mention the prices paid at Ascension, the Cape de Verde, or the Mauritius; can you furnish to the Committee the prices paid at those stations?—I mentioned that at the Mauritius and at the Cape de Verde Islands the prices paid were the ordinary contract prices, the public contracts existing at the time before the war, and throughout the war.

1316. What were those prices?—At the Mauritius the contractor supplied them at the contract price of 2 *l.* 18 *s.* 6 *d.* per ton; and at the Verde Islands at the price of 49 *s.* per ton for Welsh coals, and for 47 *s.* 6 *d.* per ton for north country coals. Those were the fixed contract prices before the commencement of the expedition by public contract.

1317. You mentioned, I think, that a certain small sum, amounting to 2,000 *l.* or 3,000 *l.*, had been paid to the contractors by way of compensation for the trouble to which they had been put in these various places?—It was 2,000 *l.* at the Mauritius and 825 *l.* at the Verde Islands.

1318. Did it not strike you that 58 *s.* 6 *d.* per ton for coals at the Mauritius in time of peace was a very high price?—Not at all; there had been very great efforts made by the Admiralty from the commencement of the contract, which was made, as I tell you, by public competition, to reduce the price, and the price was reduced from the original contract price; this is the reduced contract price.

1319. What was the original contract price?—It was above 3 *l.* per ton.

1320. In making such contracts, did you calculate the cost of the coal here and the freight out there, in order to see what sort of profits the contractors were making?—No; under the system under which the Government made their contracts, and which I believe to be the most just and wise which can be adopted, the question of the detail of how much is paid for freight, and how much for the coals or insurance, or landing charges, or any other charges connected with those local contracts, is left entirely to the persons who choose to offer for the contracts, and they all offer upon the same conditions, published to the whole kingdom. Every person who chooses to make a tender is at liberty to do it, and, therefore, all the conditions being the same for everybody, it matters nothing to the Admiralty how much the contractor speculates upon as the price of freight, or the price of the coals, or the necessary expenses of landing and re-issuing and storing, and all the other charges.

1321. But it would matter something to the Admiralty, surely, would it not, if on adding the freight abroad and the insurance to the cost at Cardiff, you found a contractor was making an undue profit of, say, 25 or 30 per cent.?—The Admiralty have nothing to do with the rate of profit. They have to do with public prices by public competition.

1322. Do you think that the Admiralty, who are the servants of the public in this matter, have not to do with the amount of profit taken by the contractor?—Nothing at all.

1323. Then it was not part of your duty, on receiving those offers or tenders, to inquire the price of coal and the rate of freight, with the view of finding out whether the Admiralty was well or badly served?—That has been done, and I know that it was, on more than one occasion, deemed expedient not to accept any tender on the terms offered.

1324. In making this contract for Mauritius, for instance, did you not think it a part of your duty, or that it would be proper for you at the time to test whether this price, first of 60 *s.* and upwards, and then of 58 *s.* 6 *d.*, was a price which distinctly showed a very large and undue profit?—I not only know that the Admiralty did inquire, but that every means were taken to obtain information as to whether a contract upon more advantageous terms could be made, and we failed to obtain any information to that effect.

1325. I do not think that that is quite consistent with one of your former answers: you said that it was no part of your duty to find out what was the profit of the contractors, and whether the Admiralty were well or badly served; but that so far as prices were concerned, you put it up to public tender, and accepted the lowest tender, as I understand?—Not as a necessary consequence; but I am prepared to contend, and I do contend, that if you put the contract up to public competition with full condition alike to everybody, whether the lowest tender gives 10 per cent. or 20 per cent., or any other rate, you have the two alternatives, either to accept no tender at all, or to accept one of them, subject to putting an end to the contract whenever you think proper; but I am not prepared to contend that it is expedient for the Admiralty having to provide for the public service, and adhering to the principle of public competition, which I believe to be the right and the wise principle for the Government to act upon, to be entering into questions about the relative rates of freight, or the

the prices of the different collieries at Cardiff and Newport, and those places. I believe it to be a much wiser and a much safer mode of dealing for the public service to deal by public competition, and to make the best contracts you can. If you have reason to think that the public competition has not produced a fair and reasonable price for the public, you can take any course which you think proper.

1326. That is precisely what I want to get out; if you have reason to think that public competition has not produced a fair and reasonable price for the public, would you consider it at all your duty to accept the lowest tender?— Certainly not; but I should not accept the highest.

1327. In point of fact, I suppose it has been brought to your knowledge that such things have happened as contractors laying their heads together and making a little arrangement amongst themselves in order to get very high prices from the Government?—I believe that is not very often done.

1328. *Chairman.*] By that do you mean that it is sometimes done?—I do not say that it is ever done.

1329. Mr. *Baxter.*] Should you be surprised to hear that the contract for coal at the Mauritius has been taken by one of the first firms in the island at 48 *s.*?—I have no knowledge of any offer having been made by any firm in the Mauritius, with evidence that they would take the contract at a lower price, under all circumstances, than the present contract. I do not know whether the contract to which I have alluded exists or not at present; but I know nothing to make me think that a contract under similar circumstances, which will meet the wants of the navy and give greater satisfaction at the port, has been made, or is likely to be made, at any other difference of price than what may be the difference in the ordinary expenses of freight at the present time.

1330. Then are you not aware that adding cost, freight, and insurance, 48 *s.* per ton, deliverable at the Mauritius, does now leave, and has always in time of peace left a very handsome profit to the contractor?—But is it deliverable on board Her Majesty's ships?

1331. Under precisely the same conditions as the former contracts?—If that is the case, there is no reason in the world, that I know of, why, if the contract has not been put an end to (though it may be at an end for anything I know) it should not be put an end to. It is just the very case in which you would give notice for the termination of an existing contract and make a new one. That was the ordinary every-day practice.

1332. Did you send any coals to Madeira at the time of the Abyssinian Expedition?—No, I believe the Transport Department did not think it necessary.

1333. The price of coals there, I suppose, would be very much the same as at Cape de Verde?—I cannot tell you, off-hand, what the price is at Madeira; it is a public contract upon the same footing as the Cape de Verde Islands, and the Mauritius.

1334. Was it at 38 *s.* per ton?—The Honourable Member may know better than I do what the present price is.

1335. Captain *Beaumont.*] With reference to the coals, you mentioned that in your opinion the north country coals were very inferior to the Welsh coals, may I ask you on what that opinion is based?—Upon the public, and the official reports of the flag officers and captains, and commanding officers of Her Majesty's ships and vessels.

1336. Could you furnish the Committee with one of the dates, or with an indication of some of those reports?—I do not presume to undertake to furnish any official documents from the Admiralty, but I have not the slightest doubt that the Committee may have a volume of reports upon the subject, if they require it. They have been published in various forms in the papers for the House of Commons, and I can assure you that if you want information upon the subject, and the Admiralty deem it proper to give it, there are ample reports upon the subject.

1337. What figure would you consider about right to represent the difference in value of the two coals; would it be 10 per cent. or 8 per cent.?—That depends entirely on the station at which the coals are delivered. I am only speaking from general recollection, but it varies from somewhere about 8 *s.* to 10 *s.* 6 *d.*

1338. That is the difference in price, but what is the difference in efficiency?—That is a question for the engineer officers, and that is in print over and over again; you will find the whole of that information, I believe, in a report of the officers of the Keyham Dockyard, four or five years ago, which has been printed.

1339. My impression is that the use of the words "very inferior," is not justified by the reports which I have read?—When I say "very inferior," I mean inferior for the purposes of steam navigation in the navy; I do not give any other opinion.

1340. Are you aware that the present Board of Admiralty have changed their practice in that respect?—I am quite aware of it, and of the whole of the circumstances which led to the change.

1341. If I understand your answer rightly, you think that the north country coal has a certain advantage in point of durability?—I believe it has a very great advantage when kept in store in tropical climates; I believe it does not decompose as rapidly as the Welsh coals, and I believe that the coals which are considered the best Welsh coals are those which deteriorate most rapidly in store in the tropics.

1342. Upon what figures or basis do you rest the question of the general quantity of coal to be supplied?—The Transport Department will give you that information; I simply carried into effect the orders of the Board to provide certain quantities at specified stations. The basis of the calculation which showed those quantities to be required was in the Transport Department.

1343. In point of fact, you complied with the demands of the Transport Department?—Nothing more.

1344. Sir *John Hay.*] With regard to the question of the supply of coal are you aware that a telegram (page 80, No. 71, and page 204, No. 445), was received, of the 20th of September, from the Governor of Bombay in Council, which was transmitted to the Admiralty?—Yes; that was subsequently to the first order. The first order of the Admiralty was dated the 22nd of August, and it was modified in consequence of that telegram.

1345. Previously to that had an arrangement been made at the Admiralty (page 82, No. 178), for an additional supply of 10,000 tons of coal for

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for the Government service, besides the 20,000 tons alluded to in the letter of the 24th ultimo?—Yes.

1346. Were you aware that that coal was required immediately for service in India?—I was so far aware of it that I knew that there were no means of providing for the service at that time, except by taking measures for increasing the supplies as soon as possible at Bombay and Aden.

1347. Are you aware that the urgency was such that it was necessary to obtain the coals which were then upon the spot under an undertaking that steps should be taken to re-supply them?—There was no other way of doing it.

1348. Are you aware that in consequence of this scarcity of coal for the service of the expedition the Admiralty then took steps to fill up all the transports then about to proceed to India with coal, in bulk, and that the transports at Liverpool were from that date filled with coal in bulk to carry out to India?—That is a point which is not within my own personal knowledge; the Transport Department will give that information.

1349. Can you state to the Committee the amount of coal which was supplied at Liverpool to the 13 transports and steamers about to proceed to the East?—I have stated already that at Liverpool there were 14,684 tons supplied to the Transport Service.

1350. That would be in excess of the ordinary supply of coal from steamers of that character in their ordinary bunkers, would it not?—That question I cannot answer; the Transport Department will answer that.

1351. Are you aware that the supply of coal to the Cape in sailing ships was in consequence of the demand for arrangements to supply the transports on their return voyage, in case the Expedition should end at an early date?—I understood it to be entirely on that ground.

1352. Are you aware that the supply of coal there was based upon that calculation, and did not exceed it?—It was based upon the calculation of the outward voyages, and to enable the vessels to fill up entirely at the Cape of Good Hope, and go as full as they could to India; and it was provided also in order that there might be no risk of detention of the transports, at the Cape of Good Hope or elsewhere, on the return voyage with troops, or with any other freight which a deficiency of coals at the Cape of Good Hope might have occasioned, and in order that there should be no inconvenience on that account.

1353. With reference to the questions of the Secretary of the Admiralty on the subject of the Mauritius; the ordinary contract for coals at the Mauritius was based upon the supposition that vessels would very seldom make any demand upon the coal store there, was it not?—Yes, it is very uncertain; it is a totally different description of service from any merchant service whatever, either a mail packet service or any service of that nature, because anybody can calculate upon the quantity of coals which a mail packet company will want in a given time; but, in the Navy, it so happens that you may pass three, or four, or six months without a single issue; and in the course of three weeks you may have requisitions upon the contractors which will consume a greater quantity of coals than, perhaps, would have been required in a period of 12 months previously; that was the case at the Cape of Good Hope just a few weeks antecedent to this expedition. There were large transports and other services which occurred, as it turned out, very unluckily, because it exhausted this store just at the time when it would have been fortunate if it had been very full. The uncertainty of the consumption of coals within any given period of time constitutes the real difficulty and, very often, the increased expense, in providing for the Naval Service as respects the supply of coals on foreign stations.

1354. With reference to the Mauritius, the quantity of coal required there was very uncertain, was it not?—Nothing could be more uncertain.

1355. Was not the supply of coal there very irregular?—Most irregular.

1356. A year may have elapsed occasionally there without any considerable demand?—I should think that years had passed without there being any requisition which could be called considerable in amount.

1357. Then if there were going to be for a certainty five or six ships of war employed in those seas, and those ships coming to the Mauritius at a given date, with a view of receiving a large amount of coal there, there would be probably no difficulty in obtaining an abatement upon the ordinary rate if sufficient notice were given to the contractors, would there?—If there had been no necessity for replenishing the store to meet any possible contingencies of war (because that was the question with which the Admiralty had to deal), I have no doubt that there would have been no difficulty whatever in the contractors supplying any ordinary wants at the contract price; but the requisitions for the Navy were, under ordinary circumstances, so small at the Mauritius, that if, from the circumstances of this Expedition, a great number of transports were likely to go there, even though it was not quite certain that they would go there for the purpose of replenishing their stores, it was the bounden duty of the Board of Admiralty to require the contractors, or to take effectual measures themselves, for replenishing those stores to any extent to which it might be calculated that they would be required, and in that case it would have been altogether unjust to the contractors to expect them to incur this large expense upon their own responsibility, it not being required for their own commercial service.

1358. I asked that in reference to the question of the Honourable Member for Montrose, who stated that at present a contract had been entered into at the Mauritius for 48 *s.* per ton; is not that likely to have been influenced by the probability of a flying squadron of seven ships calling there for that supply?—I really am entirely ignorant of the manner in which the squadron, to which the Honourable Baronet alludes as a flying squadron, is intended to be supplied on the foreign stations.

1359. But with the certainty that a large squadron was going to the Mauritius under the old system of contracts would have made it possible, time being given to abate the contract price, would it not?—That I do not know; that is a matter for the contractors themselves to consider, and I do not give any opinion upon it.

1360. A question was asked by the Honourable Member for Durham, with reference to Welsh coal, and North Country coal; was not the preference given by the Admiralty entirely with

with reference to the smoke from the north country coal betraying the position of a vessel while on special service?—The objection is a very old one, and I can speak from personal and most intimate knowledge of the importance, for purposes of war, attached to the substitution of the smokeless Welsh coals for the north country coal in fleets, for the operations of war. I forget whether the Honourable Baronet was in the Fleet in the Baltic in 1854, upon the breaking out of the war; it was certainly more economical, and it was deemed more convenient in every way, to supply the Fleet under the command of Sir Charles Napier from the North of England. It was done comparatively very cheaply, and it was done very well; but still it was north country coal. On the opening of the operations in 1855, the commander in chief and the officers of the Fleet urgently required the Board of Admiralty to supply the French and English fleets with the South Wales smokeless coal, because of the smoke of vessels sailing in a crowd and using north country coals, and in a climate where there was a liability to great fogs, and to avoid the risk of casualty occasioned by it. It was actually the fact that the whole of the coals used by the Baltic Fleet in 1855 went from South Wales to the Gulf of Bothnia, and of Finland, and wherever they were required, though we could have done the service at much less expense.

1361. Sir *Patrick O'Brien.*] Do the Admiralty have regard to the difference in the classes of coals in advertising for those contracts?—I believe they have ceased to advertise for contracts, but I do not know: formerly, all the coals that were thought serviceable were specified.

1362. *Chairman.*] What was the nature of the Mauritius contract for the supply of the coals; did you contract that so much as was wanted should be supplied, or that a given quantity should be supplied to the Fleet in the Mauritius?—It was the usual form of contract; what we call a local contract on foreign stations. The contractors undertook to supply any quantity of coals, on requisition from the commanding officer of the ship, which he might require, at a fixed price per ton, including all charges whatsoever.

1363. Was it not accompanied by some intimation of the probable quantity needed?—I cannot state the quantities from recollection, as they are not always uniform at the different stations; but I have no doubt that the contract contains a provision indicating the quantities which the contractors are expected always to have in store available for the Queen's service.

1364. Definiteness of information conveyed to a contractor by the Admiralty would enable him to enter into a contract at a lesser price than if the information supplied was very indefinite, would it not?—I have no doubt that if the Admiralty was able to specify certainly, and without any liability to deviation from the quantity, the quantity of coals which the contractor would be called upon to deliver within any given time, he would do it at a lesser price than if it were subject to all the contingencies and uncertainties of the Naval Service.

1365. Is the Admiralty unable to specify in that way?—I believe not, unless there has been some very extraordinary revolution in their affairs with which I am not acquainted. Certainly, it was totally impossible for the Admiralty to state what quantity of coals would be required from any of those stations within a given time; I mean where those local contracts existed.

1366. What guides a contractor as to what he has to supply?—There is the real difficulty in which the contractor is placed; and I do not myself know any process by which the difficulty can be overcome.

1367. Sir *Patrick O'Brien.*] But is the contract unlimited in all those places?—It is unlimited in all those places; and he is literally (though I do not suppose any Board of Admiralty would have acted contrary to the spirit of the contract) bound to supply 10,000 tons if they forced it.

1368. *Chairman.*] You told the Honourable Member for Montrose, did you not, that it did not often happen that contractors conspired to extort a higher price from the Government?—I did not say that it did not often happen, but that I did not believe that it often happens.

1369. When you say that it does not often happen, do you mean that in your belief that it does happen?—I will not express that belief.

1370. Does it happen at all?—I have no official knowledge of its ever happening.

1371. Have you any belief on the point?—I have been informed of efforts having been made to do it, but on the occasion on which the effort was made I know it was defeated.

1372. Can you tell the Committee the occasion on which you know it to have been attempted unsuccessfully?—I had rather not; it will not happen again in respect to that contract.

1373. You stated, did you not, that you were restrained in going into the open market to seek coals by the fact that the Peninsular and Oriental Company had the mail contract with the Government, lest, by doing so, you should enhance their prices and be doing them an injustice?—Yes.

1374. Do I correctly understand that the Admiralty, as a principle, act upon the rule that if they have a contract with any given firm, they hold themselves bound to abstain from going into the open market to seek a supply for which no contract exists from other quarters?—Certainly not; if there is no public reason why they should not make a new contract without reference to the existing contract with the company.

1375. You first heard from the Admiralty on the 22nd of August of their probably wanting coals sent out to those various stations, and more definitely on the 24th of August, did you not?—No; not more definitely, but in a modified form.

1376. On hearing that this was the want of the Admiralty, with whom did you confer?—I conferred with the Store Lord representing the Board of Admiralty.

1377. As the Storekeeper General, you were not officially on the Board of Admiralty, were you?—No; I never was anything but a subordinate servant of the Board of Admiralty.

1378. With whom did you confer then at the Admiralty?—With the Lord of the Admiralty, who superintended the Naval Store Department.

1379. As to the quantity of coal which might be needed?—As to the whole detail of the service of the Naval Store Department.

1380. As to what you had to supply for the Abyssinian Expedition?—Yes.

1381. Had you any communications with the Board in writing?—Whatever was done, for reasons of my own I took the greatest precaution that everything should be committed to writing,

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and there is not a single stage of the transaction that is not in writing, and the greater part of it in my own handwriting.

1382. Then the communication which you had on that occasion with one of the Lords of the Admiralty, Sir John Hay, was in writing?—It is in writing, in the form of a report to the Board.

1383. Can you put that in?—No, I have no authority to put in anything; but I have no doubt whatever that if the Board of Admiralty think proper, they can give it to the Committee.

1384. Then your communications with the Store Lord of the Admiralty would be as to the quantity of coals required, would they not?—Yes.

1385. At that time you had some coal contracts in existence, had you not, at certain stations?—At the stations named; at the Verde Islands and at the Mauritius; but at no other stations.

1386. With whom had you those contracts?—The contract at the Mauritius was with Messrs. Blythe, Green, & Company, at 58 *s.* 6 *d.* per ton.

1387. Sir *Patrick O'Brien.*] Was that an unlimited contract?—It was what is called a standing contract, terminating upon the notice of a certain number of months specified in the contract on either side.

1388. But was it unlimited as to quantity?—Quite unlimited.

1389. *Chairman.*] Had that been in existence for some time?—Yes; I have not the date of the contract here; but it had been going on for some few years. It had been reduced from the original public contract price. The contract at the Verde Islands was with Messrs. Wisgar and Miller (Bristol people, I believe), at 49 *s.* for the Welsh coal, and 47 *s.* 6 *d.* for the north country coal.

1390. Did you put yourself in communication with those contractors?—I put myself in communication with them personally.

1391. Did you learn from them that they were unable to supply you with the needful quantity?—They certainly stated that they could not insure to the Admiralty the full quantities named in the beginning of September and the end of August, without extra means were adopted for increasing their supply, which they were not prepared to take at the ordinary price.

1392. Then, in fact, this is a smooth water contract, and not a contract for rougher times; is that so?—Exactly that is the case.

1393. Then when there really became a pressure and the coals were needed, the contract gave way?—No, the coals supplied to the transports were all supplied at the contract price; but the only extra expense was the compensation after the conclusion of the war, in consequence of the store having been increased rather more than was actually supplied to the transports; it was, I thought, a very reasonable transaction.

1394. You stated that you coaled 13 steam transports at Liverpool, did you not?—I did not state the number of transports; I stated the quantity of coal supplied at Liverpool to the transports, but I do not myself know the number of vessels.

1395. You gave in round figures 13,000 *l.* for 14,000 tons of coal, did you not?—Yes.

1396. Is not that a very excessive price?—It is a high price, but it includes all the expenses of putting the coals on board those transports, working day and night; and there were certain charges which would not, under ordinary circumstances, have been incurred; and in addition to that, there was a strike amongst the labourers for higher pay, in consequence of the extreme pressure which the Government put upon the exertions of the people.

1397. But I understood you to say, that that did not enhance the price, because you arranged to counteract that?—Everything was done by the Admiralty which possibly could be done to overcome that, by employing the seamen out of the Coastguard ships.

1398. You bought those coals outside of any contract which you then had, did you not?—Yes; the Admiralty agents performed the whole of that service for the Admiralty.

1399. Can you tell the Committee the ordinary rate at which coals were then being shipped at Liverpool?—I cannot state that off-hand.

1400. Did you authorise agents to purchase those coals?—The Admiralty agents purchased them, and performed the whole service; what the different prices were for the different vessels, I do not know.

1401. Who were those agents; were they in the Admiralty?—They were mercantile agents; the same agents who conducted the whole of the business of the Admiralty during the Russian War.

1402. Who were they?—Messrs. Gillespie & Scott.

1403. You did not employ more than one firm?—Yes; I did not deem it expedient (and I should think that the Admiralty were of the same opinion) to have competing firms at work at the same time.

1404. Do you know how many coals were specially sent out from this country in connection with the Abyssinian Expedition?—I have an account of the total supplies, but it is not from my own knowledge.

1405. There were some steamers hired to convey coal out to several stations, were there not?—Only to the Cape of Good Hope and Ascension.

1406. Were not several steamers employed?—There were two to Ascension and five to the Cape of Good Hope.

1407. Have you an account of the coals put on board those steamers?—No; I have not an account of the coals put on board these steamers.

1408. I was going to ask you for an account both of what was put on board, and what was delivered from them?—I think I have the quantities delivered, but I have not got the quantities shipped.

1409. If the Honourable Baronet is correct, the quantity you paid for was the quantity delivered?—I believe so; the quantity which was delivered is stated in the aggregate; but I have not stated the quantity delivered out of each ship respectively.

1410. Do the charters set out so much per ton for coals delivered?—In all, excepting one vessel; it was particularly desired, as Sir John Hay may recollect, not on any account, if possible, to take up the transports for coals by time, but to require that they should deliver the greatest possible quantity of coal at a price including all charges.

1411. Was there an exception to that?—There was one exception in combination with a commercial

mercial arrangement, which I only knew incidentally, which failed in a particular part; and if that had been carried out as intended, I believe the rate of freight for the home voyage of that vessel would have been credited to the Admiralty, and would have brought down the expense to the same rate as the others.

1412. Then it is not true that a steamer was chartered to take coals out to one of those stations; that she consumed half her cargo on steaming out, and that she had to keep the other half on board to steam home again?—That is an exaggeration.

1413. Is there any truth in it?—No. At least the vessel delivered not what I thought a satisfactory proportion, but still quite enough to coal a couple of transports; and if the vessel had brought home the whole of the home cargo which was expected at the time that the arrangement was made, I believe that it would have been the cheapest of the whole number.

1414. You had no contract with the Peninsular and Oriental Company had you?—No.

1415. What was the "implied arrangement" of which you spoke on Tuesday?—I have the original letter here; in a letter to the director of Transport Services from the Secretary of the Peninsular and Oriental Company, dated the 24th August 1867 (page 51, No. 76), he says: "The directors think it right to mention that, although they will use every means in their power to obtain tonnage upon the most moderate terms, yet, owing to the rise in the freight market, the rates for the whole quantity required both at Bombay and Aden must of necessity be considerably in advance of those recently charged;" I for one thought that a very reasonable proposal to make.

1416. With regard to the arrangements with the Messrs. Gillespie & Scott, did you buy of them, or authorise them to buy for you, and did you get the original accounts?—They were authorised to engage the freight, to make the charters, to purchase the coals, and to transact all the business for the Admiralty; and they were allowed a commission, out of which they had to pay the insurance and some other incidental charges themselves. Then they had to produce the policies of insurance, the charters, the receipt for the payments for the coals, and the whole thing.

1417. What was the amount of the commission which they received?—One shilling and sixpence per ton for the quantity of coals supplied to the navy.

1418. Supplied or delivered?—I believe it was delivered.

1419. What per centage was that?—That would depend upon the cost of the coals.

1420. Is the commission included in the 13,000 *l.* which was paid?—Yes; what we give as the expense incurred on account of the coals is the rate per ton, including all charges whatsoever.

1421. You stated, did you not, that the 19 *s.* per ton, or thereabouts, then charged, was a very high price?—For any ordinary service, no doubt it was.

1422. What efforts were made to get the coal at the natural market value?—We trusted to the agents to do that; there were a number of persons desirous to be brought into the business, and I myself thought, and I believe the view met with the approval of the Board, that it was not desirable to have conflicting operations going on at the same spot at the same time.

1423. Then you assigned no limit of price to the Messrs. Gillespie & Scott?—No.

1424. You gave them a *carte blanche* at all events as to price, did you not?—No, because before we agreed to anything it was made known what the terms were likely to be. We did not act without communication; and no *carte blanche* in that sense was given; I was in daily communication with them.

1425. They might have paid 30 *s.* a ton for those coals, might they not?—No, because I should have known that was not the right price to pay before it was paid; they would have paid nothing without giving previous information; I do not mean to say that it was a formal official correspondence upon whether it was 1 *s.* a ton more or less.

1426. Then you were consulted about this price of 19 *s.* per ton, and you acquiesced, and the Admiralty was bound to it, was that so?—Not upon the whole of the 19 *s.*, because that includes all the charges connected with whether the vessels were coaled day and night, and on Sundays; and certain details which more or less affected the price.

1427. Do you know that the price, free on board ship at Liverpool, at that time, was about 10 *s.* a ton?—I do not know it; and I do not believe that the coals of the quality required for the Navy were delivered on board any ships at that price.

1428. Did you ascertain at what price such coals were then supplied in the open market?—I cannot tell you, off-hand, the supplies to the Navy. There are always purchases going on, from time to time, for vessels connected with the Coastguard and other services.

1429. Can you supply the Committee with the exact prices you were paying?—I cannot; but the Admiralty can give them to you.

1430. Can you say whether or not it exceeded 12 *s.*?—I cannot say.

1431. The difference between the natural and ordinary price and the 19 *s.* was paid, because of the speciality of the circumstances, with your concurrence?—Certainly it was.

1432. They had conferred with you before the debt was contracted, and the obligation to pay was entered into, had they not?—They acted entirely with my knowledge of the fact, that they were to perform that service.

1433. Then, as to the price which you were then paying, that price being considerably in excess of the ordinary market price, were you in conference with the Store Lord of the Admiralty from time to time?—The prices, I believe, are stated in the correspondence of the agents upon the subject of coaling the vessels at Liverpool.

1434. Would this come before the Board of Admiralty as well as yourself?—Yes.

1435. And they would be concurring parties before the obligation to pay this 19 *s.* a ton was entered into, would they not?—I do not admit that it is 19 *s.* a ton to begin with upon all the service; I give you the quantity of coals and the amount of money paid; but I do not know that that is at the rate of 19 *s.* for the whole of those different cargoes; there may be special circumstances relating to particular ships, where it may have been higher than that; I have never stated an average price of 19 *s.*

1436. Whatever

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1436. Whatever the price was, it was incurred and the purchase was made at that price, with the knowledge and concurrence of the Admiralty, and not on your own authority merely?—Quite so.

1437. Sir *Stafford Northcote.*] Were you cognizant of a memorandum which was drawn up by the director of Transport Services, which you will find at page 48 of the Blue Book, on the 23rd of August, referring to the different arrangements which should be made for the expedition?—I cannot say that I was.

1438. On page 48 you will see a heading of "Coal Supplies;" according to that statement, I see that it is recommended that provision should be made for supplying additional coal at certain ports which are mentioned, and that besides that, information should be obtained from the Indian Government and the Peninsular and Oriental Company, of the quantity of coal which they had at Bombay and at Aden, with a request that they should supplement the station with about 20,000 tons; would you read the words which follow that, and which conclude the sentence?—"The Peninsular and Oriental Company to make this arrangement, so as not to com pete with the purchases now about to be made for the Admiralty for other ports."

1439. Was not then the object of the arrangements, that the supply of the necessary quantity of coal at Bombay and Aden should be left to the Peninsular and Oriental Company to make quietly, so as not to raise the market against the contractors, who would be purchasing for the Government for the other ports?—I considered that to be the basis and meaning of the whole arrangement, and a very wise and judicious arrangement it was.

1440. *Chairman.*] But notwithstanding these precautions, the price was very materially enhanced, was it not?—That I do not know.

1441. Have you not stated so in the purchase of those coals at Liverpool?—That is the Peninsular and Oriental Company's coals; I am not alluding to Liverpool at all.

1442. Sir *John Hay.*] Is it not true that with regard to one of the first conferences with Messrs. Gillespie & Scott, or one of their partners, they stated that the demands for coal were so considerable that it would have to be very carefully managed, so as not to run the price of coal up very considerably by its being known that so large a demand was required within so short a time, interfering as it did with the ordinary arrangements and deliveries at that time, in process of arrangement at the port?—They stated that most distinctly, and urged that all possible time and mitigation of pressure that the service would admit of should be allowed with a view to the reduction of expense, and the avoiding of any expense whatever which could be possibly averted by arrangement.

1443. Was not all done in that direction which it was possible to do, consistently with the extreme and necessary desire on the part of the Government, to get the transports out to India in time for the service of the expedition?—I know that every exertion was made, and every consideration was given to effect the service, first with punctuality, and next with the least possible expense.

1444. Sir *Stafford Northcote.*] Parliament was prorogued that year on the 21st of August, and the matter of a probable proceeding in Abyssinia was first made public by the notice in the Queen's speech; are you aware whether there had been any communication or intimation made to the public before that date, leading the public to suppose that there would be a demand for coals, and stores, and transports?—I have no recollection of having had any intimation before the 22nd of August.

1445. Those arrangements then were made, were they not, immediately the Government were in a position to make arrangements, and as far as possible, before notice had been given to the public, which would have the effect of raising the price of freights and transports?—Certainly.

Rear Admiral WILLIAM R. MENDS, C.B., called in; and Examined.

Rear Admiral *W. R. Mends,* C.B.

1446. *Chairman.*] WHAT is your official rank and position?—I am Director of the Transports of the Admiralty, and a Rear-Admiral in the Navy.

1447. How long have you held the office of Director of Transports?—I have held the office about seven years.

1448. When were you consulted respecting the necessary arrangements for the Abyssinian Expedition?—On the 21st of August 1867, I was directed to attend at the India Office with the Board of Admiralty; when there I met in the room of Sir Stafford Northcote the various heads of departments; it was then stated to the gentlemen assembled what we were there for, and each was consulted as to the various requirements of his department. Sir Stafford Northcote read a memorandum, I think from Sir Seymour Fitzgerald, detailing the force to be conveyed of men and animals. I was asked my opinion as to the tonnage, or to give an estimate of the tonnage. I requested time to consider it, which was granted me, and on the following morning, the 22nd, I presented a rough estimate of the tonnage required to float the number enumerated in the memorandum. Those numbers are stated at page No. 48 of the Blue Book. I felt it my duty in offering that memorandum, to lay out such matters in it as appeared to me to be connected with such an expedition; such as coal supplies and other matters. On the previous afternoon, the 21st of August, I made the best efforts I could to ascertain the state of the shipping in India, which would possibly be procurable by the Government of India, and I found it to be small. There were various Indian papers; statements of the companies having steamers in India, and others; and it was then seriously considered that at least 40,000 tons of steam transport would be required to be sent from this country. I think it was rather pressed by the members of the Board of Admiralty. I knew that at that time there was a very small amount of coal at the Cape, and that two ships which I had previously ordered out to India on behalf of the Indian Government the "Jumna" and the "Malabar," had been unable to procure coal at Simon's Bay. One, the "Jumna," had been obliged to go on to Algoa Bay to procure coal, and had been very nearly lost there; and the "Malabar" had to be sent round

round to Table Bay, to complete her stock of coal, before going to India; and that coal was purchased at a very high rate. I have not the rate by me, but I will produce it to the Committee hereafter. For the "Malabar" 73*s.* per ton was paid on 1,534 tons taken on board in Table Bay, and for the "Jumna" the prices ranged on 834 tons put on board at Simon's Town, from 42 *s.* 7 *d.* to 70 *s.* 6 *d.*, and upon 325 tons purchased at Algoa Bay, 95 *s.* per ton. That led to my recommending so large a quantity of coal as appears here in the memorandum of that date. On the 22nd I received an order from the Board of Admiralty, "You are to take the necessary steps for the provision of 20,000 tons of steam transport for service in the Indian seas; no ship to be less than 1,000 tons gross tonnage; also three steam transports of not less than 2,000 tons gross, each to be fitted as hospital ships for similar service, (signed) W. G. Romaine." Upon which I took the usual steps under my instructions. The instructions under which I act are these: In the 3rd paragraph, "All the requisitions connected with the embarkation of troops or convicts, and for passage in contract packets, will be made to you through this office," (that is the Admiralty Office) "but applications for freight for the conveyance of stores and provisions will be sent to you direct." The 5th clause: "As a general rule, you are to have recourse to public advertisements for such troop or freight ships as may be required; and the tenders which may be received in answer thereto are to be opened in the presence of the superintending Lord, or of a Board of Admiralty, as the case may seem to require." That clause was subsequently modified, and it was decided by a Minute of the Board that the tenders were to be opened in the presence of two principal officers, if the presence of of a superintending Lord could not be obtained. The 6th clause is, "In the selection of vessels you will be guided not only by the comparative rates at which they may be tendered, but by their fitness and readiness for the service, governing yourself in this and other details by their Lordships' Regulations for the Transport Service. All charterparties will necessarily bear the signature of two members of the Board of Admiralty. The general supervision of the Transport Service will be entrusted to one member of the Board of Admiralty, with whom you will personally confer whenever it may be necessary."

1449. Sir *John Hay.*] Who was the member of the Board of Admiralty with whom you conferred upon that subject?—Yourself.

1450. What steps did you take in consequence of those orders?—On the 22nd of August an advertisement was issued on that occasion. "Advertisement for Transport for Indian Sea Service. None need tender but such ships as are in all respects in good condition as to hull, engines, boilers, general equipment, boats, and ready to leave the country immediately. No vessel less than 1,000 tons gross measurement to be tendered, nor any that is not fitted with a distill, or will not be so fitted, within 10 days from acceptance, capable of distilling 1,000 gallons in each 24 hours, and also to be amply provided with iron water-tanks. To be employed for six months, and as much longer as may be required. Tenders to specify rate if discharged in Bombay or in England. Tenders to be received on Tuesday next. To be advertised in London, Liverpool, and Glasgow, and communicated also to the various steamship companies."

1451. Will you name those companies?—They were the Peninsular and Oriental, the Royal Mail, the British and North American, the African, the Union, the West India and Montreal, Ocean, and the British India Steam Navigation Companies.

1452. Did the Superintending Lord on that occasion limit the amount of transport to be taken up?—Yes, in the first instance.

1453. By a Minute on the 3rd of September?—Yes; no more than 20,000 tons, as agreed, and the hospital ships; that was signed on the 3rd of September.

1454. On the 4th was there any further demand from the India Office?—On the 4th of September there was a letter from the India Office to the Admiralty: "With reference to previous correspondence on the subject of the transport ships taken up in this country for employment in connection with the Expedition to Abyssinia, I am desired by Sir Stafford Northcote to request the Lords Commissioners of the Admiralty will be good enough to issue instructions for the employment of one more vessel for the same purpose, of about 2,000 tons burden." It is minuted, "Director of Transports take necessary steps. Seen, and steps taken accordingly."

1455. The number of vessels which would probably be required for that amount of tonnage, with the specification, amounted to 13, did it not?—It was very difficult until the tenders were received to see how the tonnage could be made up to the 20,000 tons. It resolved itself into 10 ships for general service, and three for hospital ships.

1456. Will you state how many steam vessels tendered on the day of the opening of the tenders, the 27th day of August?—Seventy-six ships tendered as transports to India.

1457. Will you state how many tendered according to the specification?—Thirty-nine.

1458. How many steam vessels do you state were not according to specification?—There were 37 not in accordance with the terms of the advertisement, including, I believe, eight sailing vessels.

1459. The "Great Eastern" also tendered, did it?—The "Great Eastern" tendered also.

1460. The various reasons why those vessels were considered not fitting were because they could not be ready in time, had no scuttles, had not enough coal stowage, and were too low between decks, was that so?—I may state that on the day when the tenders were received in my office I had practical officers, the surveyors, in my room, in case I had any doubt about the ships, that they might tell me the exact state and condition of the ships, with which they were much more intimately acquainted than myself. It was upon their stating one or two points that I decided not to survey some ships, though the tender was in a slight degree lower than the others. The "Great Eastern" was considered too large to go into the shallow water in which she would be required; the "Venezuela" was not ready; the "Melbourne" had no scuttles; she was an old ship; she was low between decks, very slow, and had small accommodation for troops; I knew her of old. The "Iron Age" was not ready. In the

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"Canada" the stowage for coals was not sufficient. The "Minnia" was not ready, and undergoing repairs at Glasgow, and would not be ready for 10 days. The "Bellona" was represented to have no scuttles, and to have three water-tight compartments running through the main deck, and on a previous survey it was stated that she had no accommodation for third-class passengers. In the "Asia" the stowage for coals was not sufficient. The "Norfolk" was not ready; she had not arrived from Cronstadt, and had to discharge at Liverpool. In the "Emstmerk" the horse-power was too low. In the "Petersburgh" the horse-power was too low. In the "Union" the horse-power was too low. In the "Shahazadah" the horse-power was too low. The "Livonia" had not arrived. Those, I think, were the only vessels, as far as the returns show, that were tendered at a somewhat lower rate than the others which were ordered for survey.

1461. On the 22nd of August did you order for survey three hospital ships, the "Golden Fleece," the "Mauritius," and the "Queen of the South"?—They were tendered on the 27th, and ordered for survey on same day.

1462. And you did not accept the "Hector," the "Pacific," the "Carolina," the "Lybia," the "Hayti," and the "France," for the reasons you have stated?—They were not accepted for reasons stated on the reports of survey by the surveying officers.

1463. Did you order for survey on that day, the "Peruvian," the "Kangaroo," the "Bosphorus," the "City of Manchester," the "City of Dublin," the "England," the "France," and the "Queen"?—They were ordered for survey.

1464. Was any complaint made by any of the tenderers as to a mistake in their reading of the specification?—One ship-broker, the agent of the West India and Pacific Steam Navigation Company, came to the office to say that they had mistaken the advertisement. They had put in that the ships would not be ready to fit for some four or five days, but they stated that they were perfectly ready. I knew they were good ships, and they had been in our employment before. Their coal consumption was moderate, their rate of speed high, and their work good; and I thought them very desirable ships.

1465. On that same day, the 29th, you accepted the "California," the "American," and the "West Indian," did you not?—They were ordered for survey, and accepted on the reports being received on days between the 31st August and 3rd September.

1466. Were they found suitable?—They were.

1467. To what amount of tonnage did that extend on the 29th of August, completed, besides the three hospital ships?—It amounted, with the three hospital ships, to 29,360 tons, and, without the three hospital ships, to 22,268 tons.

1468. Will you state the equipment and fitting of those ships?—I submitted that they should not be thoroughly equipped for troops, but that they should have the requisite ventilation tubes, air funnels, and distills, and other matters put into them, leaving the ulterior arrangements to be performed at Bombay, as I could not possibly foretell for what service they would be required on their arrival at Bombay.

1469. Can you state to the Committee what provisions, bedding, stores, and so forth were completed?—Provisions for 4,000 men for three months were put on board the ships at Liverpool for conveyance to Bombay, viz.:

Provisions	-	-	800 tons
Bedding -	-	-	150 „
Other Stores	-	-	859 „
Water Tanks	-	-	547 „
TOTAL	-	- -	2,356 tons

Beside 14,590 tons of coals.

1470. Were there bedding and stores in 10 of them?—Yes, the stores were distributed amongst them.

1471. Was there a transport officer in each ready for service?—There was.

1472. What were the rates, if discharged at home, for which the three hospital ships were engaged?—Thirty shillings per ton per month; the "Golden Fleece," "Mauritius," and "Queen of the South" were engaged at 30*s.* per ton per month, with one month additional payment if discharged abroad.

1473. The 10 other steam vessels ranged from 24*s.* 10*d.* to 37*s.* 6*d.* per ton per month if discharged at home, did they not?—They did.

1474. There were additional rates also, were there not, if discharged abroad?—Yes.

1475. Will you be so kind as to state to the Committee, so far as you can, what the additional rates were for the hospital ships if discharged abroad?—One month additional hire.

1476. And for the 10 other steam vessels?—They varied; for the "City of Manchester" it was 10*s.* per ton per month if discharged abroad; for the "City of Dublin" the same; for the "England" three months additional pay if discharged abroad; for the "Queen" the same; for the "Peruvian" 17*s.* 9*d.* per ton per month if discharged abroad; for the "Kangaroo" three months' additional pay if discharged abroad (the revised arrangement); for the "California" 10*s.* 2*d.* per ton per month if discharged abroad; for the "West Indian" 10*s.* per ton per month if discharged abroad; for the "American" 10*s.* 2*d.* per ton per month if discharged abroad; for the "Bosphorus" 17*s.* 6*d.* per ton per month if discharged abroad.

1477. Sir *Patrick O'Brien.*] Do you mean by that that they were to be paid in that proportion for the return voyage for as many months as it might take?—They were to receive that over the rate of hire for the whole time of their engagement.

1478. Sir *John Hay.*] Can you state to the Committee whether the rates for the seven steam vessels engaged in the China War of 1859, for the vessels discharged at home ranged from 25*s.* to 35*s.* per ton per month?—They did; the rates paid for vessels chartered in China ranged from 43*s.* 2*d.* to 74*s.* 4*d.* per ton per month, and for those chartered in India, from 40*s.* 10*d.* to 101*s.* 3*d.*

1479. Can you state whether in 1861, in the "Trent" affair, the eight steam vessels engaged in that service, of the same sudden character, ranged from 30*s.* to 50*s.* per ton per month?—They did.

1480. With regard to the mule transports; that was the next duty which devolved on the Admiralty and the Transport Office, was it not?—Yes.

1481. On the 27th of August 1867, did the War Office demand five steam transports for service

vice in the Mediterranean for collecting mules? —On the 27th of August the following letter was addressed by the Secretary of State for War, Sir John Pakington, to the Admiralty: — "I am directed by Secretary Sir John Pakington to acquaint you, for the information of the Lords Commissioners of the Admiralty, that in furtherance of the Abyssinian Expedition, the Indian Government have represented the necessity of a certain number of mules, not exceeding 7,000, being delivered at Alexandria before the end of November next. In order to give effect to this representation, Sir John Pakington has approved of a scheme for the purchase of these mules, and the following are the places which have been suggested as the *foci* from which the purchases should be made, viz.: Malagar, Alicante, Cadiz, Barcelona, Genoa, Tripoli, Beyrout, Constantinople, Smyrna, Gibraltar, Malta; and I am to request that you will move their Lordships to provide steam transport, consisting of five vessels of about 1,000 tons each, fitted for the conveyance of mules, to proceed to these several ports, and any others that may hereafter be decided on, for the purpose of picking up the mules as they are delivered, and taking them on to Alexandria. These vessels should be provided with adequate means for getting the mules on board and for landing them at Alexandria. I am further to request that you will impress upon their Lordships the desirableness of the steam transports being prepared as early as possible, so as to be ready to be despatched as soon as intimation is received of the first cargo of mules being ready. It is proposed that a veterinary surgeon should accompany each ship; and it will also be necessary that the first three ships should take full cargoes of compressed forage, to be landed at Alexandria, each ship retaining sufficient forage on board for the mules it will collect. The succeeding ships will also carry sufficient forage for the mules which they will likewise collect. On these questions the Commissary General in Chief will be instructed to confer with the Director of Transports. It is proposed that a superior military officer be sent to Alexandria to direct the whole service, and it will be for their Lordships to consider whether it would not be expedient to station a naval officer also at that port to control the movements of the transports. (signed) *Longford.*"

1482. In consequence of that letter, did you advertise on the 28th for steamers of from 700 to 1000 tons for that purpose?—On the 28th, advertisements were issued to that effect.

1483. In reply to those advertisements, did 75 vessels tender, 35 of which were in accordance with the specification?—Seventy-five vessels tendered, and 35 were in accordance with the specification.

1484. The vessels accepted were the "Bolivar," the "Parana," the "Commondouros," the "Venetia," and the "Empress," were they not?—Yes.

1485. At what rates were those vessels engaged?—The "Empress" was engaged at 30 *s.* per ton, per month; the "Parana," at 25 *s.* per ton, per month; the "Commondouros," at 24 *s.* 9 *d.* per ton, per month; the "Bolivar," at 30 *s.* per ton, per month; and the "Venetia," at 34 *s.* 6 *d.* per ton, per month; the whole being for three months certain.

1486. The rates varying from 24 *s.* 9 *d.* to 34 *s.* 6 *d.* per ton, per month?—Yes.

1487. Was great care taken not to allow the market to know what number of vessels were likely to be required out of the number tendering?—Yes; because the direction to me was marked "confidential," and it was not known to the public.

1488. It did not pass beyond yourself?—It did not go out of my hands.

1489. Have you stated all that you think necessary to state to the Committee in reply to the question of the Chairman with reference to the orders under which you acted, and the steps which you took in this instance to engage the freight that was necessary?—I think so, as regards this country.

1490. At page 177, No. 392, in the Blue Book, in the communication from the Secretary to the Admiralty to the Under Secretary of State for India, there is a sum named of 340,000 *l.* "in the Transport Department," which was no doubt obtained in your office; will you state how you obtained that sum of money, so that an arrangement might be made with the Treasury to the credit of the naval vote?—The hire of 10 steam transports for general service in India for the six months for which they were chartered, is 215,326 *l.*; of three steam transports for hospital service, also for six months, is 62,928 *l.*; of five steam transports to be employed as mule ships in the Mediterranean for three months, is 21,213 *l.*; making 299,967 *l.*, or, in round numbers, 300,000 *l.* Coals for 10,000 tons in the River Thames, 10,500 *l.* Upon that point it is necessary that I should explain to the Committee that I have nothing whatever to do with the general furnishing of coals; but on this occasion an exception occurred as regards the River Thames. When the advertisements were issued for transport hire, a contract was brought to light, of the existence of which I was ignorant. It was brought to light in this way: the contractor came to my office to state he had a contract existing with the Government to supply coals to transports in the River Thames. Upon inquiry at the Contract Office, it was produced, and he claimed his right to furnish coals under that contract. I mentioned the circumstance, I think, to Sir John Hay, and it was considered undeniable that the contractor could claim to supply the coals. I am not precisely informed as to the rate of supply of the coals, but I believe it was at 21 *s.* 6 *d.* per ton, put on board in the river. He pressed me very much, day by day, to know the quantity required, and it really was almost impossible to state it; but I roughly estimated that from 10,000 to 13,000 tons might probably be required in the River Thames. My object in stating that quantity, and the ground upon which I stated it, was, that, in case of more transports being required (and they probably would be required), we should load them to the fullest extent with coal cargoes; and, therefore, 10,000 tons of coal in the River Thames stands as a portion of the item 340,000 *l.*, for which I was responsible. Then, for the freight of forage and army stores to Alexandria, I put down 2,200 *l.* We took up freight, on account of Abyssinian requisitions, from the War Office, to that amount. The mess of officers in the transports was estimated at 5,200 *l.*; fittings of hospital ships, 4,700 *l.*; fittings of steamers for general service, 2,800 *l.*; fittings of mule ships, 5,500 *l.*; bedding, so far as required to be specially purchased, 1,500 *l.*; the pay of transport officers for the period, 3,600 *l.*;

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provisions for hospital ships, 3,000 *l.*; the carriage of a certain amount of provisions, included in the estimate of victualling, 1,000 *l.*; making a total of 340,000 *l.*, for which I was responsible.

1491. In preparing the memorandum by the Director of Transport Services, at page 48, will you state to the Committee what led you to advise that steam transports should be sent from this country to India for the service of the expedition?—The small amount of shipping in India, and the necessarily high rate that would be charged, as I supposed, if advertisements were issued in India without a check being put on in this country.

1492. You had tolerable information, had you not, that about 58,000 tons of sailing transports and about 25,000 tons of steam transport was all that was available in India without deranging the ordinary tariff?—My Indian assistant was good enough to go into the City and collect the Indian papers, and we got the Peninsular and Oriental Steam lists and a variety of companies' lists, and all we could possibly get, to ascertain the amount of tonnage available. I observe it is stated in the memorandum, that "It is probable some sailing ships will be obtainable at Bombay; they would be better ships for cavalry than steamers, and will carry a fair wind across. Ventilation is also better in sailing ships' holds, and the motion is less trying to horses."

1493. And you had information at that time, had you not, that about 132,000 tons of transport would be necessary for the service of the expedition?—I roughly estimated that it would take about 125,000 tons to float it across, according to the numbers furnished to me, as read by Sir Stafford Northcote at the India Office on the 21st August, in addition to three ships to be employed as hospital ships.

1494. You had at that time in India subject to your control, three large transports; will you state to the Committee why you deemed it not advisable to employ those three transports for the service of the expedition?—That did not rest with me; that rested entirely with the Indian Government. Those transports had been specially put upon a particular service; that is to say, the interchange of troops between England and India. That service was just starting at the time, and it appeared very undesirable to break in upon it as all arrangements had been made for the troops proceeding outward and homeward.

1495. Were you of opinion that it was wise, or not wise, to employ those Indian transports proper for the service of the army in Abyssinia?—I was of opinion at the moment that it was not expedient to break them off the service on which they were just about to start, and the arrangements for which were completed.

1496. On the ground that the line of transports for the relief of the troops in India would have been heavier than the arrangements which were made for the service of the expedition?—I do not know that I really had that particular ground in my mind at the moment, as to the cost involved. There is no doubt that it would have involved a great cost, because India would not only have had to bear the provision of the steamers, but also to provide for freight by the Cape, and, moreover, the season for the Cape was past at that time, therefore, the whole service would have been completely upset.

1497. Sir *Stafford Northcote.*] The matter was very fully discussed, was it not?—Very fully.

1498. Sir *John Hay.*] On the whole, you came to the conclusion that it would be unadvisable to divert the three Indian transports from the ordinary service of the State to the exceptional service of the Abyssinian Expedition, did you not?—Giving my opinion in concurrence with the officers of the India Office, I did.

1499. Are you still of that opinion?—Yes, I think it would have been unadvisable.

1500. Then looking at the result of the Expedition, and of the war, do you think it would have been unadvisable to divert those three transports from the service in which they were engaged?—I think it would have been unadvisable; they could not have remained at the anchorage at Zoulla, and they could not have been employed as the steam transports were, without, as I have already stated, entirely unhinging the arrangements for the overland service, and entailing a very heavy charge upon India.

1501. I believe you had some experience in the Crimea?—I had, and I saw there the importance of direct superintendence over the transport service.

1502. Your experience in the Crimea was the entire control of the transport of the army from Turkey to the Crimea, was it not?—I had hardly the direction of the Transport Service. The organisation of that expedition was placed in my hands, but I saw the great necessity for some directing head over the Transport Service in the interest of the public. The enormous expense incurred for transport hire necessitated some direct control from the first with full power, and it has always weighed upon my mind; therefore, when this expedition was about to start, or in fact, had started, I thought it right to bring the subject before the Admiralty.

1503. And you found the advantage of it also in the New Zealand Expedition, did you not?—Certainly, with great economy to the public.

1504. Will you state what steps were taken with regard to the appointment of an officer to control the Transport Service in India, on the outbreak of the Abyssinian War?—On the 23rd of August I put the following submission before the Admiralty: "It is submitted that their Lordships may be pleased to appoint an officer from the captain's list, as soon as possible, for the special charge of the Transport Service, as Principal Transport Officer Afloat, in connection with the Expedition preparing for Abyssinia, and that he may have the assistance of a secretary and two clerks, and further that their Lordships may be pleased to move his Royal Highness the Field Marshal Commanding in Chief, to appoint an officer from the Department of the Quartermaster General of the Army, to act as military assistant to the Principal Transport Officer, and that their Lordships may also be pleased to cause a suitable steamship to be specially appropriated to the use of himself and staff, in which the pendant of the said Principal Transport Officer shall fly for the time being, and that, when in all respects ready, these officers be ordered to proceed to Bombay by packet; it is also further submitted that 12 officers of the rank of lieutenant or navigating lieutenant, be immediately named as transport officers, in order that they may be ready to superintend the fitting of the ships which may be accepted for the service."

1505. On behalf of the Board of Admiralty did I urge upon you the necessity for appointing young and active officers, whose health was not likely

likely to fail them in the climate to which they were going?—Yes.

1506. Those were the instructions which I gave to you with a view to your securing officers of that character?—They were.

1507. Will you proceed to state the arrangements with regard to the appointment of the Principal Transport Officer Afloat to the Abyssinian Expedition, and the other officers subordinate to him?—Captain Tryon was appointed for the purpose, and these were the first orders which I gave him on the 14th of September:—"In pursuance of their Lordships' orders, you are to proceed by the next mail, *viâ* Marseilles, to Bombay, to report yourself to Commodore Heath, and take charge of the duties of the Transport Service afloat in connection with the expedition preparing for Abyssinia, subject at all times to such further orders as you may from time to time receive from the Commodore or other your superior officer. Having inspected the ships fitting in this country, you are aware of their capabilities, and you will be furnished with a list of the provisions and stores they are conveying. It will be your duty to make yourself conversant with terms of engagement or charter-parties of all hired ships, those taken up by the Government of Bombay as well as those engaged by this department; and whilst looking to the best interests of the service in the efficiency of the ships, you will make it your duty to study economy, and represent, when necessary, the expediency or otherwise of discharging any particular ship or ships. Coal has been provided at the Cape of Good Hope, Simons Bay, also at Bombay by the Government of India, and at Aden you will draw such supplies as may be necessary from the stores of the Peninsular and Oriental Company, who have undertaken to supply it. A steamer will be provided by the Bombay Government for yourself and staff, from which vessel you will conduct all your duties, complying with the printed instructions of their Lordships, copies of which have been furnished to you as well as copies of the instructions to masters of transports, and copies of the regulations for Her Majesty's Transport Service, with such other forms and documents as are necessary to you in the performance of your duties." Subsequently to that, on the 9th of January 1868, having verbally and personally represented the desirability of the position of the transport officer being generally known in the fleet, their Lordships were pleased to issue the following circular:—"Regulations for Her Majesty's Transport Service on Foreign Stations.—It being considered necessary, with reference to the regulations of Her Majesty's Transport Service, and to the instructions for transport officers, that the accounts and correspondence relating to transport service, should be preserved in one channel, and that Commanders in Chief should not be burthened with the details thereof in addition to their other high and important duties, my Lords' Commissioners of the Admiralty are pleased to direct that when transports are employed within the ordinary limits of a naval command, they are to be under the entire charge of such officer as their Lordships may deem it expedient to appoint, with the title of Principal Transport Officer Afloat, or if on shore, with that of Resident Transport Officer, who is to be held directly responsible for the conduct of that important branch of the service, and for the expenditure connected therewith, as the recognised head of the Transport Service Afloat; the transport officers and masters in command of the several transports being under his immediate control. The Principal Transport Officer, when appointed afloat, will on all occasions be provided with a suitable vessel, with steam power if possible, having the requisite accommodation for himself and staff, such vessel to be either a hired transport or such other vessel as the Lords Commissioners of the Admiralty may direct. All the orders respecting the movements of the ships (transports), their appropriation and discipline, are to be issued, when practicable, through the Principal Transport Officer, who is to be considered for the time being, in the light of an officer in command of a separate squadron placed under the general orders of the Commander in Chief for special service. It will be the duty of the Principal Transport Officer, and all under his control, to carry out to the best of their ability, the orders which they may receive from the Naval Commander in Chief or senior officer present (as laid down in the printed instructions for transport officers and masters); to furnish such returns as that officer may from time to time direct; to decide, with his approval, upon the positions to be taken up by the transports in the various ports or anchorages, and to appeal to that officer for aid in maintaining discipline, or in carrying out any important service, whenever it may be considered necessary; to regulate, under the authority of the Commander in Chief or senior naval officer, and in concert with the military authorities, the loading and unloading of ships, the embarkations and disembarkations of troops, inclusive of sick and wounded, the sea conveyance of supplies of provisions, water, forage, &c., &c., for the army; reporting from time to time to the Commander in Chief, when he may require material or assistance beyond what can be afforded by the transports, to enable the service to be carried out efficiently. It will also be his duty to watch over the sanitary condition of the crews of the transports. Finally, he is to render direct to the Accountant General of the Navy and the Director of Transports respectively, by every reliable opportunity, all accounts, documents, and returns, in relation to the service entrusted to his charge, in accordance with the special instructions he may receive, and with the regulations for Her Majesty's Transport Service, and the instructions to transport officers and masters, furnishing such copies thereof to the Commander in Chief or senior officer, as he may desire.—By command of their Lordships, *Henry G. Lennox.*" Upon the issue of that circular, very detailed instructions were prepared in my office, and submitted to the Board, from whence they were issued to Captain Tryon and to the Commodore in command on the 9th of January 1868. There are certain points of that paper to which I may call the attention of the Committee. The order is addressed to Captain Tryon. "In virtue of your office as the immediate head of the Transport Service, in connection with the Abyssinian Expedition, you will be held directly responsible for the efficient conduct of this important and costly branch of the service; and are to consider as under your immediate control the transport officers and masters of all transports, or hired or purchased vessels engaged in the expedition, including the three hospital ships. You are not to issue any direct orders to the officers in command of the ships or vessels of the Bombay Government

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ment attached to the expedition; those vessels being considered, as for the time being, under the immediate orders of the naval officer in command. You are, however, to communicate with that officer from time to time as to the employment, efficiency, &c., of these vessels, and to report to the Director of Transports all their proceedings, and any orders given to them by the naval officer in command, or conveyed by him to them through you, in so far as they may relate to Transport Service." (It was understood at that time that there were a few ships of the Bombay marine specially attached to the commodore in command of the Transport Service, and it was to those ships that that paragraph alluded.) "You are to communicate promptly with the Director of Transports (and with the Bombay Government should it become necessary) on all matters of importance; observing that all such communications should be forwarded through the naval officer in command. You are by each mail to report fully to the Director of Transports, all your proceedings, as well as the particulars of all orders or communications of importance received by you; and you are to be especially careful in the regular transmission to the Director of Transports, or to the Accountant General of the Navy, of all periodical or other returns, accounts, forms, and of all documents which you are directed by the regulations and instructions which you are directed to render to their departments. You are also to obtain from time to time, as well as on each separate occasion on which you may consider it necessary, such instructions as the naval officer in command, after consultation with the military authorities, may think proper to give on the following subjects, assisting him in these matters with your advice, and carrying out promptly, and in all their necessary details, the directions which he may give; viz.—1. The employment, in the various necessary branches of the service, of all the hired or purchased ships connected with the Expedition; their selection, according to their various capacities and suitability, appropriation for the conveyance of commissariat supplies, fuel, cattle, provisions, stores, or whatever may be requisite; their loading and unloading, positions to be taken up, anchorage, movements, pilotage, docking if necessary, and general safety of the ships; and the embarkation or landing of troops, invalids, horses, mules, cattle, &c., observing that you are held responsible for their judicious and proper employment, as well as for their coaling and watering, and their maintenance in a state of efficiency and discipline; for ensuring the proper numbers of their crews being kept up, and for their sanitary condition. 2. The discharge from the service, from time to time, of such ships as may not be any longer actually required, observing that their discharge is to be strictly governed by the conditions of their several charter-parties; and that when any vessels, whether steam or sailing, can thus be dispensed with, preference in selection for discharge is, if possible, to be given to such as, with reference to their rate of hire, consumption of fuel, &c., are the most expensive to the public. Your views on this subject are, in each case, to be submitted for the approval of the naval officer in command, and the result to be reported to the Director of Transports, as well as (should the ships have been chartered in India) by the first opportunity, to the Governor of Bombay: "You are immediately on receipt of these instructions to consult the naval officer in command as to the necessity for retaining in the service all, or any, of the ships in which the draft, baggage, or other animals, or the stores, provisions, &c., required for the expedition, have been conveyed to Abyssinia; and are as promptly as possible to follow such directions as he, after consultation with the military authorities, may give, relative to the early discharge of any of those ships, in strict conformity with the conditions of their charter-parties; reporting your proceedings to the Director of Transports, and in regard to ships chartered in India, to the Bombay Government. In the event of any disaster or damage occurring to any of the ships under your control, you are immediately to take the directions of the naval officer in command as to whether it will be advisable at once to discharge the ship from the service, if practicable; or to cause her to be repaired. In the latter case you are to cause the master to take the necessary measures for expediting these repairs, governing yourself by the conditions of the charter-parties, causing any requisite assistance to be afforded; and reporting the period during which the ship may be inefficient for the service, as well as any expenses incurred, and to whom, in your judgment, such expenses are chargeable, to the Director of Transports. In the event of the ships having been chartered in India, you are to forward a duplicate of your report to the Government of Bombay, for information in adjusting the accounts of the ship. You are to direct all letters which it may become necessary for the transport officers, or masters of those ships, to address to the Director of Transports, or the Bombay Government, as well as all returns, documents, &c., to be delivered to you for transmission, and are to forward them accordingly, accompanied, when necessary, with your observations or reports. You are to control and approve all disbursements effected in the Red Sea in connection with the ships under your supervision; causing them to be included in the monthly cash accounts rendered by the Paymaster, acting as your secretary. Expenditures, on account of ships chartered in India, are to be separately shown in these cash accounts, and are to be reported by you, monthly, to the Government of Bombay. You are, in no case, to make payments of monthly hire on account of ships chartered in India, as such payments will be adjusted by the Government of Bombay. You are to cause the various accounts of provisions, forage, bedding, fuel, stores, &c., which should be rendered periodically by the masters of the various transports under your orders, to be made up, so far as may be practicable, in due time, and in proper form, and to be delivered to you for transmission to the Director of Transports or to the Government of Bombay, according to the stipulations of the several charter-parties. In order that correct and early information may be obtained by the Bombay Government in regard to supplies of provisions or stores to ships chartered by, or the property of, that Government, you are to instruct the masters of all vessels engaged in this country to forward to you, through the transport officers on board, a duplicate of the receipt for every supply made from the provisions or stores in their charge to ships belonging to or chartered by the Government of India, and you are to forward these duplicate receipts, by the earliest opportunity, to the Bombay Government. You are to give similar directions to the masters of Indian

Indian hired transports or other vessels under your superintendence, and to transmit the duplicate receipts, when received from them, to the Transport Department."

1508. Those instructions were communicated to Captain Tryon for his guidance as principal transport officer in the Indian Seas, were they not?—They were.

1509. Can you state to the Committee what number of ships in the Indian Seas were submitted to the guidance of Captain Tryon?—I have here the total amount of tonnage compiled from the latest returns made up, and it amounts to 301,386 tons. There were 75 steamers and 205 sailing ships; the 74 steamers being an aggregate tonnage of 89,723 tons, and the 205 sailing ships of an aggregate tonnage of 211,663 tons.

1510. Do those steamers include the ships of the Bombay marine also employed on that service?—They do not.

1511. Do those numbers include also the transports from England?—They include the transports sent from England.

1512. Do they include also men-of-war?—No.

1513. Will you state to the Committee the steps taken in the interests of the public on the discharge of transports at Bombay, which had been chartered at two rates; one rate being for discharge at home, and the other rate being for discharge abroad?—I think it was in November when I saw that it would be probable, as far as one could possibly foresee, that the steamers would be retained in Government employ for a longer time than that for which they were originally chartered, that negotiations were opened with the owners of certain vessels to bring them to accept a lump sum instead of the charters extending over the periods of hire. Here is a statement showing the estimated amounts to be paid to the owners of transports discharged at Bombay, in excess of the amounts which would have been payable for their hire if they had been discharged in England; also showing the estimated sums which it would have cost to send them to England for discharge, and the sums which would have been payable, on account of their discharge abroad, if the amended terms proposed by the owners had been accepted. (*The same was delivered in,* vide *Appendix.*)

1514. Will you state the order sent to Captain Tryon on that subject, with reference to ships to be sent to the Mauritius to convey the sick troops to England, and also the statement for his general guidance as to the ships to be discharged abroad?—On the 15th April 1868, the following letter was written from the War Office, to the Secretary of the Admiralty, signed by Sir Edward Lugard: "I am directed by the Secretary of State for War to transmit to you the accompanying copy of a memorandum from the Quartermaster General, together with its enclosure, relative to the transport of invalids from the Mauritius, for the consideration of the Lords Commissioners of the Admiralty." The enclosure is from the Horse Guards: "With reference to the enclosed copy of a letter from Major General Milman, commanding at Mauritius, the Field Marshal Commanding in Chief recommends that it should be arranged with the Secretary of State for India, that, in the event of a transport belonging to the Abyssinian Expedition, either steam or sailing, being paid off at Bombay, it might be chartered to touch at the Mauritius, to be placed at the disposal of Major General Milman for the purpose of bringing home invalids and others."

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1515. Is it within your knowledge that there was a great amount of sickness at the Mauritius at that time?—I believe there was. This is a letter from General Milman, dated the 5th of February 1868. "Sir, the principal medical officer has stated to me that the fever, at present unhappily prevalent among the troops, although not of a deadly nature, will nevertheless be the cause of considerable invaliding in a few months hence, and I, therefore, do myself the honour to submit, for the consideration of His Royal Highness the Field Marshal Commanding in Chief, whether some transports belonging to the Abyssinian Expedition might be directed to call here for the purpose of taking home invalids. These transports are believed to be all steam vessels, and the advantages of such ships over sailing vessels are too obvious to need remark. Moreover, judging from the difficulty of procuring a suitable ship for the purpose, which was experienced here on the last occasion of sending home invalids, and the present appearance of shipping in the harbour, I think it quite possible that I might have to delay the departure of invalids for a considerable time beyond what would be desirable, simply from the inability to procure transport.—I have, &c. (signed) *Egerton Millman*, Major General."

1516. What order was sent upon that letter?—That was sent to me from the Board, upon which I submitted this on the 18th April 1868: "Should the expedition in Abyssinia terminate shortly, which is not considered improbable by Commodore Heath, it would be desirable to retain such of the transports as are engaged at reasonable rates, and as may be necessary, for the purpose of bringing home the invalids in question. Should their Lordships approve of this course it is submitted that they may be pleased to place Commodore Heath in communication with Major General Millman, and in concert with Captain Tryon, select such of the transports for the service as may be suitable." Upon which their Lordships upon the 21st of April sent me this letter: "I am to acquaint you that their Lordships have approved of your submission of the 18th instant, No. 183, respecting the conveyance of invalids from the Mauritius by some of the return Abyssinian transports." Upon which orders were given, and I addressed this letter to Captain Tryon: "I am directed by their Lordships to transmit herewith a statement of the cost of discharging at Bombay the transports engaged in this country for the Abyssinian Expedition, and to acquaint you that, in concert with Commodore Heath, and the Government of Bombay, you are to be guided thereby in regard to the discharge of such of the transports at Bombay as may not be required to bring home troops or stores from India, or invalids from the Mauritius."

1517. And there was no difficulty about making those arrangements, as it was known that there was an abundant supply of coal at the Cape for the purposes of bringing home those returned transports?—Yes, by that time.

1518. Arrangements had been made looking forward to the necessity of coaling the transports on their return home, and at that time there was an abundance of coal at the Cape of Good Hope, was there not?—Unquestionably, I believe.

1519. Sir *Stafford Northcote.*] This arrangement was made before the news of the fall of

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Magdala had reached this country, and in anticipation of it, was it not?—Distinctly; I further wrote to Captain Tryon, "I request that you will exercise your judgment in selecting such for sending home, or for discharge, as may be most advantageous to the public interests; I have to observe that no claim for restoration of the decks consequent upon the various cuttings for ventilation or otherwise, is to be entertained." That was accompanied by a statement showing the rates. (*The same was delivered in*, vide *Appendix.*)

1520. Sir *John Hay.*] With regard to the finance, can you give the Committee any information as to the claim on account of transports engaged in England, including the hire, messing, provisions, bedding, &c., for the troops, and with reference to the adjustment of reclaims of the Indian Government, on account of payments for similar services in India?—I can state, from the accounts now in my own office, the whole cost of transport hire at home and abroad.

1521. Are there any claims now outstanding?—I do not know of any; I think they are very nearly completed. The total of transport hire for ships engaged in England has amounted to 606,135 *l.*; and the total transport hire of ships engaged in India amounted to 2,766,017 *l.*, making a total of 3,372,152 *l.*

1522. Have you any statement to make with reference to the adjustment of the reclaims of the Indian Government, with regard to the transport service in India?—I have nothing to state as to that. My duty, in examining the claims, is to see that they are correct and preserved in the right channel. I cannot dispute the claim of the Indian Government without very sufficient reason. If anything very extraordinary were to appear, it would be brought to my notice by those whose duty it is to examine the claims. Mr. Turner's going to Bombay was for the purpose of assisting in classifying the accounts, in consequence of the great departmental conflicts which have always ensued upon former expeditions, rendering the closing of the accounts a very tedious operation.

1523. You speak of expeditions conjoint between India and the Home Government, do you not?—Yes; the China Expedition and others. I conferred with Mr. Hamilton, the Under Secretary to the Treasury, on the subject, and I also suggested to him the expediency of having a committee of three gentlemen well versed in accounts, one from my own department, one from the War Department, and one from the Treasury, and it has led to a very rapid examination of the accounts.

1524. Are you prepared to put in a copy of the instructions which were furnished to Mr. Turner on your recommendation?—I am.

1525. Will you state the object of those instructions, so far as your department is concerned?—It was with a view of keeping the accounts under particular items, so as to be easily recorded in the books as they are kept in the Admiralty Departments.

1526. And with a view to economical administration?—I do not know that he had anything to do with economy. As I understood it, the object of his being sent to Bombay was to watch the progress of the expenditure, and to assist the Indian accountants and officers in classifying the accounts.

1527. Mr. *Seely.*] What was the date at which you made out the estimate that 131,000 tons of shipping would be required?—I made it on the night of the 21st August, after ascertaining what I could during the afternoon of the state of the shipping in India.

1528. That 131,000 tons you supposed would move the 12,000 troops which Lord Napier thought would be required, with all their followers, and the animals required, and three months' provisions, did you not?—All that were enumerated in the statement read to me as shown in the book, inclusive of the three ships to be employed as hospital ships.

1529. Are you aware of the estimate which General Jameson made, of the cost of the Expedition up to the 31st of December?—I have seen it printed in a Parliamentary Paper, but I knew nothing about it at the time.

1530. The date of that was the 11th of October, was it not?—It is dated the 11th of October 1867.

1531. In that estimate, did he not calculate that 60,000 tons of shipping would be required?—It says here that 60,000 tons will be required for four months, taking the rate paid during the mutiny. I know nothing about the 60,000 or 50,000 tons of shipping stated by General Jameson.

1532. The total amount of shipping which was employed was upwards of 300,000 tons?—Yes.

1533. One hundred and thirty-one thousand tons you calculated would be sufficient for 12,000 men, with provisions, &c.?—Yes.

1534. Have you any idea what was done with the other 170,000 tons of shipping?—The ultimate tonnage had reference to the conveyance of a much larger number, as shown by the statement of Captain Tryon.

1535. Then you can give no information upon that point?—Not at all.

1536. Why was the amount of tonnage increased from 131,000 tons to upwards of 300,000 tons?—From the conveyance, I apprehend, of a much larger number than was contemplated in the outset; not a larger number of combatant persons, but of animals and followers; 42,699 persons re-embarked from Annesley Bay, after allowing for deaths.

1537. When you made your calculation of 131,000 tons of shipping being required, how many men did you expect would be embarked?—Twelve thousand men, at 2½ tons per man; 1,400 horses I estimated at six tons per horse; 10,000 mules, with 2,000 muleteers, at 4½ tons per mule, with muleteer; 5,000 camels, with 7,500 drivers, at 8½ tons per camel, with driver, and that makes a total tonnage for men and animals of 124,650 tons; in round numbers I would say 125,000 tons, supposing that the whole Expedition were to be afloat at one time.

1538. How many men would that be altogether?—Twenty-one thousand five hundred, and 16,400 animals.

1539. How many men were embarked, ultimately?—They were embarked at various times from Bombay; the return rendered by Captain Tryon of the number embarked at Annesley Bay, amounted to 42,699 persons.

1540. How many animals landed in Abyssinia?—36,094, as per Captain Tryon's return.

1541. How was it that you happened to calculate for so small an amount of tonnage, when you knew that Lord Napier required 12,000 troops?—I made a proper calculation, I think, for the number

number given to me by Sir Stafford Northcote; that is to say, for the troops and animals shown on the list. I have no reason to change my opinion as to the amount of tonnage; I think it was enough for the numbers given me.

1542. I think you said that you found the Admiralty under a contract for coals delivered in the Thames at 21 *s.* 6 *d.* per ton?—Yes.

1543. What kind of coals were they?—I think they were the best Welch coals, so far as my memory serves me.

1544. Do you remember the date of the contract?—I do not; I think it was as far back as the Crimean War; it was of long standing, and a very old contract.

1545. Will you put in that contract?—I will do so, or I will apply for it.

1546. Were you aware what was the price of coals in the Thames at that time?—No; I was not.

1547. Have you any means of ascertaining what the price was?—I could ascertain it, but I have no means in my own office. It does not at all lie with me to ascertain the price of coal; I have nothing to do with furnishing the coal at stations. When coals are supplied from stations to the ships employed under my orders, then the Department is charged with the amount supplied.

1548. Do you know what was the total tonnage of Her Majesty's ships employed on that Expedition?—I do not know, but I can procure it from the Admiralty.

1549. Mr. *Mundella.*] Your sole duty, I think you stated, was to provide the transports at this end?—Yes, I had nothing whatever to do with engaging transports in the Indian Seas.

1550. You had nothing at all to do with the transports which were engaged abroad?—I had nothing whatever to do with their engagements.

1551. Do you know who engaged the transports in the Indian Seas?—I believe the officers of the Marine Departments of the respective Governments of Bombay and Calcutta.

1552. You stated, did you not, that five steam transports were engaged for the conveyance of 7,000 mules from the Mediterranean?—Yes.

1553. They were engaged for three months, I think you said?—Yes.

1554. Do you know how long they were occupied on that service?—Yes, I can give you the discharges. The "Empress" was discharged on the 9th of December. The "Parana" was discharged on the 10th of December; the "Commendorus" was discharged on the 16th of January; the "Bolivar" was discharged on the 24th of December, and the "Venetia" was discharged on the 4th of January.

1555. Will you put in a list of the transports which were accepted by the Admiralty?—I can furnish it.

1556. Will you put in a list of all those ships which were rejected, with the tenders which were made at the time of rejection?—Yes.

1557. *Chairman.*] And the reasons for their rejection?—The reasons for the rejection of those on survey and those not ordered for survey.

1558. Mr. *Mundella.*] I think you said that the cost of those coals, which were delivered in the River Thames, was 21*s.* 6*d.*?—Yes, I believe so.

1559. Who is responsible for the delivery of that coal under a contract so far back as the Crimean War; with whom does it rest to continue a contract from the Crimean War up to the present time, at a rate which was then fixed?—I should think that the superintendent of contracts at the Admiralty was the person responsible, as I was not informed of the existence of such a contract.

1560. The Storekeeper General, perhaps?—I think not.

1561. You stated, did you not, that the total cost of transport alone in this country and the Indian Seas, amounted to upwards of 3,300,000 *l.*?—Yes.

1562. Is that irrespective of claims yet to be made by the Indian Government for transport service?—No; I think that is up to the latest date, furnished by the accounts.

1563. Does that include any claim by the Indian Government?—It includes every claim made by the Indian Government.

1564. Then that is the total cost of transports, is it not?—Yes; or very nearly so.

1565. *Chairman.*] You chartered the main portion of these vessels at so much per ton during the time of service, and at so much additional per ton if those vessels were discharged in India, did you not?—Yes.

1566. One of those vessels, the "Peruvian," of 2,245 tons, was chartered at 32*s.* per ton during the time of her employment, and 17*s.* 9*d.* per ton extra if she was discharged in India, was she not?—Yes.

1567. She was employed 10 months and 10 days; she, therefore, received 17*s.* 9*d.* per ton extra over the whole period of 10 months and 10 days, in consequence of being discharged in India, did she not?—That would be so according to the condition of the charter.

1568. If she had been employed two years, she would still have received this 17*s.* 9*d.* a ton for being discharged in India, would she not?—It would be most unlikely that the Government would retain her so long in employ on those terms. The owner was communicated with, with the object of revising the terms, but no reply was received from him before the ship was discharged from the service.

1569. Would not that be according to the conditions of the charter?—Yes, it would.

1570. Does not 2,245 tons, at 17*s.* 9*d.* per ton for 10 months and 10 days, amount to 20,577 *l.* 13*s.* 5*d.*?—I will assume that to be so.

1571. Her hire for the time was 37,387 *l.*, her extra remuneration for being discharged in India was 20,577 *l.* 13*s.* 5*d.*; she was paid a total of 57,965 *l.* 3*s.* 3*d.*; that is so, is it not?—I assume those figures and the total sum paid were furnished by the Accountant General of the Navy, and if so, I have no doubt they are correct.

1572. Upwards of 20,000 *l.* of this amount was paid on account of her being discharged in India?—One would have to balance against that the cost of bringing her home.

1573. I presume she would have come home in rather less than three months?—We will say 80 days.

1574. That would have been somewhere about 8,000 *l.*, would it not?—Yes; the cost of hire and coals of the "Peruvian" would have been about 16,853 *l.*, as calculated in the statement sent to Captain Tryon.

1575. What would have been the cost of coaling her home?—We have estimated it at 7,200 *l.* in that statement.

1576. On what basis?—The estimated average price of coals put on board the ships.

1577. What quantity of coals is that estimated upon?—I have not that, but I will furnish the exact particulars of that ship.

1578. Her hire home would have been 9,653 *l.* odd,

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odd, and her coaling home 7,200 *l.*, so that the total cost for bringing her home would have been 16,800 *l.*, would it not?—Yes, 16,853 *l.*

1579. She was paid upwards of 20,000 *l.* for being discharged in India, was she not?—Yes.

1580. So that if she had come home doing nothing whatever there would have been a saving to the Government, would there not?—Yes, she is the exception to the case of all the other transports discharged in India.

1581. The total hire of those transport steamers discharged in India amounts to 345,315 *l.*, does it not; the total paid for discharge in India being 114,355 *l.*?—That is paid extra.

1582. In other words, one-third of the total sum paid to those transports was paid in consequence of their being discharged in India, was not that so?—Yes.

1583. Does it not occur to you that the conditions of the charters, now that you look back upon it, were exceedingly thoughtless and improvident?—I think not; the service was urgent, and the previous practice was followed; but shortly afterwards, in order to provide for the contingency of their continuance in the service for a lengthened period, negotiations were opened with the owners of the ships, with the object of substituting a lump sum to be paid in the event of their discharge abroad.

1584. That is to say, you repented of your first contract and tried to improve it?—I thought it proper in advertising that the public should know that the ships might be discharged either abroad or at home, otherwise higher terms would probably be demanded; the rates for discharge abroad, though high as compared with those for discharge at home, are still much under the rates of engagements made in India.

1585. Do you know the age of the "Peruvian"?—I do not; she was found fit for the service on survey.

1586. She was 2,245 tons burthen, and her total pay was 57,965 *l.*; that amounts to somewhere about 25 *l.* per ton, does it not?—I will assume that it does.

1587. Do you know the vessel yourself?—No, not of my own knowledge.

1588. Would you infer her to be likely to be worth more than 25 *l.* per ton?—I have nothing to do with that; I ordered the ship to be surveyed, and if my surveying officer reported her to be fit for the service for which she had been tendered, I should not reject her; she was docked and examined, and her engines were found in good repair.

1589. I merely want to get at the market value of the ship?—I have nothing to do with it; it is for the Board of Admiralty to determine the necessity for purchasing such a ship.

1590. You will know enough about ships to give the Committee some idea whether 25 *l.* per ton would be a good price for this vessel?—In all probability I should not recommend the Admiralty to purchase her.

1591. If you could get the vessel at a price not in excess of her 10 months' hire, would you not advise the Admiralty to purchase her?—It is very questionable.

1592. At the end of the 10 months the vessel would be yours, would she not?—Yes.

1593. Then her value at the end of the 10 months, whatever it was, would be gained, would it not?—I am not responsible for those matters.

1594. But would it not be the case that the Government would be the value of the ship into pocket if they purchased the ship for the same amount as they paid for her hire for 10 months?—As a matter of fact, it would be so, minus, however, the costs of wear and tear, and wages and victuals of the crew.

1595. Do you know the "City of Manchester"?—I know her by name.

1596. She is an old ship, is she not?—I do not know her age.

1597. Her tonnage is 1,906, is it not?—It is.

1598. Her total hire for 11 months and 16 days was 49,423 *l.* 4 *s.* 1 *d.*, was it not?—Yes.

1599. That is about 26 *l.* per ton, is it not?—Yes; but the question of purchase, or hire, is quite beyond my control; I have nothing whatever to do with it.

1600. Assuming that to be an old ship, and to have done a great deal of service, do you not think that 26 *l.* a ton would be a very handsome price for her?—I should think very good indeed if it included engines.

1601. Then the owners got a very handsome sale price for their ship during her 11 months' service, plus the seamen's wages?—No doubt.

1602. The conditions of the charter would free transports from all port charges and all lights, would they not?—Yes, I think so; they fly the pennon.

1603. All the owners would have to supply, besides keeping the ship efficient, would be the crew?—Yes.

1604. You supplied coals and you paid all charges, did you not?—Coals only; the owner supplies and victuals the crew.

1605. You know nothing about the ships chartered out in India, do you?—Nothing whatever until the hire is reclaimed by the Indian Government.

1606. Do you see the "Times of India"?—I see it sometimes.

1607. Did you see a trial that took place in Bombay, reported in the "Times of India" of the 4th of May?—I have not seen that.

1608. What would you say to a transaction of this kind; a sailing ship of 1,300 tons is engaged in Calcutta at rather more than 2,000 *l.* a month; she is employed for about six months, and the payment in respect of her employment is 13,000*l.*; the owner's profit is about 9,000 *l.*, whereas on the day she was chartered she might have been bought by the Indian Government for 5,000 *l.*; would you think that that was an improvident transaction?—It is really very difficult for me to say under what circumstances that was done; I have known instances of transports offered to the Admiralty for sale at a less cost than they had been paid for their hire; after what was called the Trent affair, for instance.

1609. Are you aware that there are several instances in which upwards of 20 *l.* per ton has been paid for the time during which the ships were on hire?—Yes.

1610. And perhaps the full value of the ships might be from 20 *l.* to 25 *l.* per ton?—Yes, perhaps.

1611. So that in point of fact we paid as hire pretty nearly the value of the transports that were employed, did we not?—There is no doubt that the transport service is a most costly one, and if the Government could foresee the length of time that any expedition was going to take, it would be highly desirable to purchase ships and work them themselves. About six years ago, when I first reported on the general business of the Transport Office, I strongly urged upon the

the Government their possessing themselves of a certain number of first-class troop ships of their own that should be kept in reserve and not in commission, unless needed, and that certainly would go towards helping a reduction of such an expenditure as this.

1612. As to the time in this case; those ships were engaged in the early portion of September, were they not?—They were.

1613. Did you ever calculate upon their being discharged, the objects of the expedition having been accomplished, sooner than about the latter end of May?—I made no calculation about the matter; I simply obeyed orders.

1614. But, as a professional man, did you think it possible that the object of the expedition would be accomplished, successfully, earlier than April?—I believe the expedition was to have started from Bombay in November. That was the great reason for putting pressure upon the transport service.

1615. But the time at which you engaged the transports here was September, was it not?—Yes.

1616. If we had to fight our way to Magdala, and relieve the prisoners there, was it possible that that object could be accomplished earlier than April?—Possibly not; but that is a mere matter of opinion.

1617. Supposing Magdala to fall, and the prisoners to be in our hands by the beginning of April, was it possible for the troops to be brought away by those transports, and the transports put off pay earlier than the end of May?—I should suppose not; it must depend upon the army requirements.

1618. That is, five months in that year, and four months in the previous year, is it not?—Of course; but it is a mere matter of conjecture, turning as it did upon the fall of Magdala and the return of the troops.

1619. The probable length of service was nine months when those transports were hired, is that your opinion?—I cannot say that it is.

1620. Have you an opinion about it?—I gave no consideration at all to the length of the expedition.

1621. Sir *John Hay.*] Was not the arrangement made by the Board of Admiralty through you an engagement of the transports for six months certain?—Yes.

1622. That was from the 28th of August, was it not?—Yes.

1623. Therefore it was contemplated by the Admiralty in this arrangement that, so far as they were informed by the India Office or by public rumour, the expedition might end by the end of February?—I was ordered to engage transports for six months certain. For what entered into the minds of the Government about the expedition I am not responsible, though, of course, I knew there was common conversation and discussion on the subject.

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1624. Mr. *Charles Turner.*] Was there not a strong feeling in the country that it was quite possible that when the troops arrived at Annesley Bay, on the coast, the Emperor would give in, and that the vessels would be discharged, and come back almost immediately?—I heard that said.

1625. Was not this the feeling in the minds of shipowners when they asked those very high prices that the profit upon the Government contract would depend greatly upon the length of time for which the ships were engaged?—No doubt.

1626. The Government requirements were such that, if the vessels were only taken on during a short time, there would be no very extreme profit; but, if detained beyond time, there would be a greater profit, would there not?—No doubt.

1627. The profit depended almost entirely upon the length of service, did it not?—It did.

1628. Sir *James Elphinstone.*] The Chairman seems to think that if you had bought these ships it would have been a better arrangement; if you had gone into the market to buy 60,000 tons of transport, would not the price of those ships have been raised upon you?—I should suppose so.

1629. When you came to sell those ships in India, I suppose you would not exactly have got the price you gave for them?—I should think they would have been left upon our hands.

1630. Supposing that you had bought those ships, how would you have manned them; was there any vote in the Estimates that would possibly have manned those ships?—That must have rested entirely with the Admiralty.

1631. *Chairman.*] But the cost of manning them would have been included in the cost of the Abyssinian War, would it not?—Yes, whatever the cost of manning and maintenance was.

1632. Sir *James Elphinstone.*] Supposing that you had discharged those ships in India, would you have found any shipowner in the City of London who would have chartered ships to you at the same price if you were to discharge them in India, where there was no possibility of getting a freight home, or where they would be obliged to go seeking for freight?—I think not.

1633. Captain *Beaumont.*] The transports, as a rule, were chartered for six months certain, were they not?—Yes.

1634. On an average, were they detained longer than those six months, and if so, how much longer?—They were detained considerably longer.

1635. Sir *John Hay.*] Do you produce an estimate of liabilities incurred by the Transport Department of the Admiralty on account of the Abyssinian Expedition, prepared in September 1867?—I do. (*The same was delivered in*, vide *Appendix.*)

Mr. CHARLES TURNER, re-called; and further Examined.

Mr. *C. Turner.*

1636. *Chairman.*] Do you produce a memorandum comparing, under general headings, the estimate of 5,350,531 *l.*, prepared at Bombay, on the 14th July 1868, of the probable cost of the Abyssinian Expedition, with the actual and estimated charges to complete, as subsequently brought to account, ascertained, or estimated for?—I do. (*The same was delivered in*, vide *Appendix.*)

1637. Do you also produce a list of charges withdrawn on objections being raised thereto in India by yourself, and also of certain receipts credited to the Imperial Government on their being pointed out?—I do. (*The same was delivered in*, vide *Appendix.*)

Tuesday, 20th July 1869.

MEMBERS PRESENT:

Major Anson.
Colonel Barttelot.
Mr. Baxter.
Captain Beaumont.
Mr. Candlish.
Mr. Christopher Denison.
Mr. Grant Duff.
Mr. Eastwick.
Sir James Elphinstone.
Sir John Hay.
Mr. Holms.
Sir Stafford Northcote.
Mr. Seely.
Mr. Charles Turner.
Mr. White.

JOHN CANDLISH, Esq., IN THE CHAIR.

The Right Hon. Sir STAFFORD NORTHCOTE, Bart., a Member of the Committee; further Examined.

Right Hon. Sir *S. Northcote*, Bart., M.P.

20 July 1869.

1638. *Chairman.*] IN Paper No. 6 reference is made to a telegram received by you on the 26th of April 1868; do you produce that telegram?—I produce a copy of a telegram which had been dispatched by the Governor of Bombay on the 1st of April, and which I received on the 5th of April. The letter was subsequently received on the 26th of April. I should explain that that telegram was sent in cypher, and there was some little confusion as to a portion of it; but I believe it is correct. (*The same was delivered in*, vide *Appendix.*)

1639. On the 26th of April you received certain accounts, which you would wish to put in?—I will put in those accounts which are mentioned in Sir Seymour Fitzgerald's letter to me, and also a private letter from the Comptroller General of Military Expenditure, which accompanied them. (*The same was delivered in*, vide *Appendix.*)

Rear Admiral WILLIAM R. MENDS, C.B., re-called; and further Examined.

Rear Admiral *W.R.Mends*, C.B.

1640. Sir *John Hay.*] HAVE you filled up those questions which were put to you, and which were not completed?—I have. If the honourable Chairman will permit me, I should like more fully to explain the answers to Questions 1583 and 1584 in my last day's former evidence; they stand thus: "Does it not occur to you that the conditions of the charters, now that you look back upon it, were exceedingly thoughtless and improvident"? The answer given to that, if not more fully explained, might lead you to suppose that I did consider that it had been thoughtless and improvident. Now, as I know that I acted for the best, in accordance with my judgment and ability, and also fully considered the public interest, it is right that I should explain to the Committee that I acted on no caprice of my own in regard to the advertisement of two rates. It always was the practice of the office to advertise for two rates, leaving the Government to decide, when the tenders came in, as to what course they would take. After the pressure had gone off the department at that time, I looked into the case of the public expenditure upon those ships, and made a representation to the Board on the 22nd of November. Therefore, it was not at all with the idea that I had to repent of any bargain made, because it did not rest with me to make a bargain. The tenders having been fully considered and accepted, subject to the consideration of the Board of Admiralty, I felt that I had done my duty so far, and then in the interest of the public I laid before the Board of Admiralty the following statement, dated the 22nd of November 1867, headed "System of engaging transports at separate rates for discharge at home or abroad." It is No. 484. "I beg to represent to their Lordships that the system of engaging transports at separate rates for discharge at home or abroad, which has hitherto been pursued, and which was also adopted in the urgency of the case, in regard to eight of the steam transports recently engaged for the Abyssinian expedition, appears to be objectionable for the following reasons, viz.: 1. If finally discharged abroad after lengthened service, the entire period of hire must be paid for at an enhanced rate. 2. In some cases the probable cost of ordering the ships home for discharge at the end of the six months for which they have been chartered (with the addition of the cost of coal for the homeward voyage) would not greatly exceed the expense of pay throughout at the foreign rate, thus already stipulated to be incurred, but should the ships be retained in the service for any lengthened period, the relative expense under this system would be considerably increased. 3. Whatever may prove to be the actual period of employment, the system referred to entails on the Government at the outset the liability to incur a future payment of indefinite amount, increasing with the duration of the ship's engagement, that is, with the profit which the owners will make during a prolonged engagement of the ships. Thus, in the cases of eight of the transports recently engaged for the Abyssinian expedition, the difference in each case between the home and foreign rates of discharge for the period of engagement varies from 5,412 *l.* to 11,954 *l.*, being equivalent to from about 1⅞ to 3⅞ months' additional pay at the home rates; and in

in the case of one of them, viz., the 'Peruvian,' in which there occurs the greatest amount of difference between the stipulated rates of payment for discharge at home or abroad, should she be retained in the service for nine months, it would probably be cheaper to order her home at the home rate of discharge (32*s.* 3*d.*), and to thus pay for about 2⅔ months' additional hire, and for the coals consumed, than to discharge her abroad, with the necessity of paying for her services throughout at the enhanced rate of 50*s.* per ton per month. The system referred to was not adopted in regard to certain transports, the owners of which consented to other and preferable arrangements; but, in regard to seven of those transports, hereafter referred to (the 'Bosphorus' having been lost), it appears very desirable, as it may be necessary to retain them in the service longer than was at first contemplated, that an attempt should be made to obtain a revision of the terms of discharge, and that this attempt should be made at once, while the duration of their employment is uncertain. It is, therefore, submitted that I may be authorised to inform the brokers of the transports, Nos. 1, 2, 5, 6, 7, 8, and 12" (that being the number given to the respective ships), "that as the period during which it will be necessary to retain them in the service is uncertain, and with the view of enabling the Government to determine, in advance, what steps it may hereafter be advisable to take with reference to the selection of certain ships for early discharge, or to the substitution for them of others chartered on more favourable terms, it is considered desirable that the payment to be made in the event of their being ordered to be discharged abroad, should be of a definite amount, rather than at the additional rate for the expired period of hire stipulated in their charter-parties, and that they be requested to state for what sum (in addition to the hire, at the homeward rate to the date of discharge) they would be willing to accept discharge abroad, in substitution of the arrangement on this subject at present contained in the charter-parties. On receipt of replies from the brokers, calculations will be made in office in order to determine whether it will be more advantageous to accept the terms which may be proposed, or to adhere to those already agreed to. 2. I request that I may be informed of their Lordships' decision hereon." Their Lordships' decision, dated September the 5th, was as follows: "With reference to your Report, No. 484, of the 22nd ultimo, on the system of engaging transports at separate rates for discharge at home or abroad, I am to acquaint you that their Lordships are pleased to authorise you to inform the brokers of the transports, Nos. 1, 2, 5, 6, 7, 8, and 12 (recently engaged for the Abyssinian Expedition), that as the period during which it will be necessary to retain them in the service is uncertain, and with the view of enabling the Government to determine, in advance, what steps it may hereafter be advisable to take with reference to the selection of certain vessels for early discharge, or to the substitution for them of others chartered on more favourable terms, their Lordships consider it desirable that the payment to be made, in the event of their being ordered to be discharged abroad, should be of a definite amount, rather than at the additional rate for the expired period of hire stipulated in their charter-party; and you are to request them to state for what sum (in addition to the hire at the homeward rate of discharge) they will be willing to accept discharge abroad, in substitution of the arrangement on this subject at present contained in the charter-parties. On the receipt of the replies from the brokers, you are to cause calculations to be made in office in order to determine whether it will be more advantageous to accept the terms which may be proposed, or to adhere to those already agreed to. By command of their Lordships. (signed) W. G. Romaine." Upon that the following was addressed to the Secretary of the Admiralty, after communicating with the brokers, "Modification of terms of the engagement of Abyssinian Transports, 28th December 1867. I beg to acquaint their Lordships with reference to my report of the 22nd ultimo, No. 484, that replies have now been received from the broker of the transports 'City of Manchester,' 'City of Dublin,' 'Kangaroo,' 'West Indian,' 'American,' and 'Californian,' specifying the sums for which they are willing to accept the discharge of these vessels abroad, in lieu of the extra rates (payable throughout the whole period of their employment) stipulated in their charter-parties. A statement (A) is appended showing the sums now asked for discharge abroad; from which it appears that it would be more advantageous to accept the present offers rather than to retain the existing stipulations in the charter-parties, should it prove necessary to retain the transports in the service for a period commencing at their original entry into pay, and terminating at the date of discharge abroad, equal, in the case of the 'Kangaroo,' to seven months, and, as regards the other ships, from 10 to 11 months. Should they be retained in the service for any increased periods, the acceptance of the present offers would be still more advantageous to the public. A further statement (B) is appended, showing the estimated cost of bringing these vessels to this country for discharge, including the cost of the coals to be consumed on the voyage; and, from the results of this statement (which are incorporated in A) it is evident that it would in all cases be more advantageous to accept the present offers rather than to discharge the ships at home, to the extent, in the several instances, of from 1,000*l.* to 9,600*l.* The acceptance of the present offers is, therefore, entirely dependent on the period which it may reasonably be anticipated that the transports will probably be retained in the service, that is, whether such period is likely to exceed 10 to 11 months, terminating abroad. On this point, therefore, I beg to request their Lordships' decision, observing that it would, in any case, appear advisable to accept the offer now made as regards the 'Kangaroo.' I beg to add that the terms on which these ships are at present chartered are understood to have been specified in the Returns which have been laid before Parliament, but there, nevertheless, seems to be no reason for adhering to terms which are susceptible of modification to the public advantage." That is signed by myself. The statement (A) referred to in that memorandum is a statement of the comparative cost of bringing the ships home, and of discharging them abroad, which I will hand in. (*The same was delivered in,* vide *Appendix.*) I will also hand in statement (B), of the cost of bringing home transports for discharge, the calculation being made at that time. (*The same was delivered in,* vide *Appendix.*)

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1641. *Chairman.*] In what respect does that statement differ from the statement which you have already handed in?—It was an estimated

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statement at that time, subsequently modified by the fact.

1642. This is an actuality, is it not?—Very nearly so; I only wish to show to the Committee that I have not lost sight of the public interest in the matter, which might have been implied in the answer which I gave on the former occasion, not being sufficiently full. On the 4th of January 1868, the Board of Admiralty addressed the following letter to the Director of Transport Services: "With reference to your Report, No. 570, of the 28th December, submitting the arrangements that might be made to reduce the expenditure on account of the transports named in the margin" (the "City of Manchester," the "City of Dublin," the "Kangaroo," the "West Indian," the "American," and the "Californian"), "in the event of their services being retained for a period exceeding 10 to 11 months. I am to acquaint you that my Lords have written to the Secretary of State for India, to inquire whether the services of these vessels are likely to be required for such period, terminating abroad; but in the meantime they approve of your accepting the terms offered by the brokers of the 'Kangaroo,' viz., the payment of the lump sum of 8,380 *l.* for the ship being discharged abroad. By command of their Lordships. (signed) H. G. Lennox." The letter from the India Office to the Secretary of the Admiralty, dated 9th January 1868, was as follows: "I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 3rd instant, and to acquaint you in reply, that it is not in his power to state whether the services of the transports therein named will be required for 10 or 11 months longer, on account of the Abyssinian expedition, but that Sir Stafford Northcote hopes that the operations may be brought to a close before the expiration of that period." It was evident that the letter had been a little misunderstood by the expression "longer," as applied to that date; it was not from the outset. I have here an estimate of the probable amount of saving realised by the discharge of the transports at Bombay, instead of sending them to England, on actual payment made by the Accountant General. I propose to put this in as a statement, and it shows upon all the ships discharged at Bombay, with the exception of the "Peruvian," a gain to the public, making in the total 38,425 *l.* 19 *s.*; and the loss upon the "Peruvian" was 3,081 *l.* 11 *s.* 10 *d.* The cause of her loss will, I think, be explained (if it prove a loss) by the explanation rendered by Captain Tryon, as to the cause of her discharge abroad. He, having been on the spot and responsible for those ships, will explain to the Committee certain clauses which led to their discharge.

1643. Do I correctly understand that you would rather withdraw the statement which you handed in on Friday last, inasmuch as this is so very much akin to it?—I have gone into actual payments upon the account now received. We have at this moment the final accounts of every payment made.

1644. That paper from which you are quoting seems to be the same in arrangement and structure with the one which you have already handed in, but differing in its figures; is that so?—It is very nearly the same, the hire being now a fact; in the former it was an estimate.

1645. Then, will you substitute that for the one which you had previously put in?—If the Committee will allow me, in re-examining my evidence, to substitute one for the other, I will do so should it be thought expedient; but the former being a copy of that furnished to Captain Tryon, would, I think, be better retained as indicative of the course taken at that time.

1646. The date of that first minute or memorandum which you read was the 22nd of November 1867; in that you addressed the Lords of the Admiralty touching the terms of the charters, did you not?—Yes, touching the system of double rate.

1647. That was three months after the charters were completed, was it not?—Nearly three months.

1648. Is not the opinion which you then formed as to the terms of the charters, or as to that particular condition of the charter, in exact accordance with the answers which you gave to my Questions 1583 and 1584?—I think not quite.

1649. You condemn the mode of charter in that memorandum, do you not?—I did not like the system of double rate.

1650. Will you read paragraph No. 3 in that memorandum?—"Whatever may prove to be the actual period of employment, the system referred to entails on the Government at the outset the liability to incur a future payment of indefinite amount."

1651. In that, and, I think, a previous paragraph, you condemn that mode of engaging transports, do you not?—I think it better to have a fixed payment; a definite sum for discharge.

1652. Then you think, at all events, that if not thoughtless and improvident, it was an imprudent condition of the charter?—I acted in accordance with the practice.

1653. I do not dispute the fact, but I want your opinion?—I distinctly think that it would be wiser to have a fixed sum for discharge, and, therefore, we set about it as soon as possible, so that no loss might be entailed upon the public.

1654. Do you not think that it would have been a still wiser condition of the charter, if the Admiralty had reserved to themselves the option of discharging either at home or abroad at the same rate, having one rate only?—I think that had the Admiralty reserved to themselves that option, the rates would have been higher. I think it gave to shipowners who were tendering the opportunity of tendering at two rates, or for a definite sum, as some did.

1655. Do you think that they would have been higher than 35 *s.* or 37 *s.* 6 *d.* per ton per month?—I think they might have been. They turned out lower at the rate for discharge abroad than the engagements in India.

1656. As a general rule, Bombay is an abundant market for the employment of tonnage, is it not?—I am not prepared to answer that question in a mercantile sense. Any market may be overstocked at one time or another by shipping.

1657. Do you know whether any of those ships discharged in India obtained charters home, or obtained employment in India to any other port?—No, I know nothing about them after their discharge; I have heard of some of them coming home in ballast; I have heard of some sailing ships going in search of freight to Valparaiso even, but I know nothing as to the fact.

1658. You mentioned on the previous day, that of the 76 vessels tendered as transports 39 only were

were tendered according to the specifications of the advertisements?—I believe that to be so. A statement is preparing for the Committee in full.

1659. Have you a list of the rates at which the ships not accepted were tendered, and can you state to the Committee the reason why they were not accepted in cases where their rate of freight was much lower than the rate of freight which you did accept?—I am having prepared a full statement for the Committee upon that point. I stated a few of them the other day.

1660. You accepted no vessel at a less rate than 24 *s.* 10 *d.*; you accepted the "American" and the "Californian" at 24 *s.* 10 *d.*, did you not?—Yes.

1661. The "City of Manchester" was 35 *s.*; the "City of Dublin" was 35 *s.*; the "William Inman" was 35 *s*; the "Queen" was 37 *s.* 6 *d.*; the "Peruvian" was 32 *s.* 3 *d.*; the "Kangaroo" was 32 *s.* 6 *d.*; the "West Indian" was 26 *s.*, I think; the "Bosphorus" was 32 *s.* 6 *d.*; the three hospital ships, namely, the "Golden Fleece," the "Mauritius," and the "Queen of the South," at 30 *s.* per ton each; that is so, is it not?—Quite so.

1662. Will you tell me how it was, that whilst you were accepting those vessels, one, the "Peruvian," at as high a rate as 37 *s.* 6 *d.*, with 17 *s.* 9 *d.* per ton extra, if discharged in India, you refused the "Hector," 1,614 tons, at 21 *s.*, 5 *s.* per month extra for discharge in India?—I think that the "Hector" was one of the ships rejected on survey; I ordered a larger amount of tonnage for survey than I wanted, knowing that in all probability some of the ships would be rejected on survey, and as it was very pressing, that I might be able to make up the 20,000 tons which I was ordered to provide out of the most efficient vessels, because my instructions are clear that I was not to be guided solely by rate, but by efficiency.

1663. The "City of Manchester," perhaps you know now (I asked you the question when you were last before the Committee, but you did not know), was built in 1851?—I may state with regard to iron ships, that when the Indian transports were about to be constructed, and their life, that is to say the duration of the ship was to be calculated, I referred to the late Chief Constructor of the Navy, Mr. Watts, a very old and practical man, as to the probable duration of an iron ship. An iron ship built in 1851, is really not an old ship; I was informed by Mr. Watts that the duration of an iron ship might be 50 years.

1664. Is the "Melbourne" an iron ship?—The "Melbourne" was built originally for the Admiralty as the "Greenock;" she is an iron ship and a strongly built ship, but she is a very unsatisfactory ship.

1665. She was built in 1849, was she not; four years sooner than the "City of Manchester"?—There appears to be only a difference of two years between them.

1666. Is the "Canada" an iron ship?—The "Canada," I am almost certain, is a wooden ship. I knew the "Canada," and another ship of the Cunard line, the "Asia," which were both old wooden paddle-steamers.

1667. Had that to do with your rejecting them at all?—Very decidedly; the "Canada" and the "Asia" were full powered paddle-steamers, with a great amount of coal consumption, as far as I recollect, and I do not think that they were satisfactory ships for the special service on which they were to be ordered.

1668. The "Hector" was built in 1863, was she not?—I have not the name of the "Hector" here, but she is included in the list which is being prepared by order of the Committee, giving full explanation; the name of every ship ordered for survey, the name of every ship tendered, the reasons why they were rejected, and the reasons why they were not ordered for survey, so far as I am able to give them in full detail. The "Hector," I am almost certain, was one of the ships ordered for survey and rejected.

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1669. Do you know anything of the "Medway," built in 1865, 1,820 tons, offered at 23 *s.* per ton per month?—The "Hector" stands as the first ship for survey, and the "Pacific" stands next as ordered for survey.

1670. Can you tell me why the "Hector" was rejected?—I can furnish it from the report of the surveying officers, which will be furnished in full in the statement now in course of preparation.

1671. The "Minia" was built in 1867, 1,906 tons, and was offered at 25 *s.* per ton per month, was she not?—Yes; the "Minia," as stated on a paper which I roughly drew up before my last evidence, in consequence of a conversation which I had with you at the Admiralty, was stated to be not ready; she was undergoing repairs at Glasgow, and would not be ready for 10 days; that was stated, I think, upon her tender.

1672. When did you deliberate upon those tenders, and accept those which you accepted?—On the 27th of August.

1673. When did the vessels accepted come on pay?—That I can furnish. They came on pay under certain regulations of the Transport Office issued by the Board of Admiralty when all matters were completed in them on the part of the owners; and they were then detained solely for Government purposes, such as putting in stores or provisions, and completing Government fittings.

1674. There is one come on pay as late as the 12th of September; that was more than 10 days from the 27th of August, was it not?—Really, I cannot but do them the justice to say that all of them worked most strenuously and vigorously.

1675. But the point of my question is this; how did it happen that the "Minia," because she would not be ready for 10 days, was rejected at 25 *s.* per ton, whether discharged in India or in England, whilst another ship was taken at 32 *s.* 6 *d.* per ton, with 17 *s.* 6 *d.* additional if discharged in India, and was not ready until 14 days after the 27th of August?—When the advertisement was issued, the service was so urgent that it was distinctly stated in the advertisement that no ships should be tendered which were not in all respects ready on the part of the owners to leave the country immediately. Of course, that depended upon certain further fittings to be put in by the owners, in accordance with the requirements of the Government, and upon what the Government itself would have to do to the ship.

1676. Notwithstanding that condition of the advertisements, you accepted ships, did you not, which were not ready?—I accepted no ship without survey, and I ordered no ship for survey that did not appear to be ready by the tender.

1677. Notwithstanding that condition of the advertisements, you accepted ships which were not ready until 16 days after the time you mentioned, did you not?—I do not know that I did.

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I ordered ships for survey that were tendered in strict compliance with the terms of the advertisement, selecting those at the lowest rates, and such as were approved by the surveyors. I decided for acceptance to the extent of the tonnage required.

1678. The "Empress" was 16 days; the "Bosphorus" was 14 days; the "American" was 13 days, and the earliest was a week in coming on pay, was it not?—Yes; and it was very rapid too. The "Empress" was not tendered until the 30th August for mule service in the Mediterranean. In the case of the "Bosphorus," it was stated in the tender that she was ready to be surveyed "when required," and to be fitted likewise; she was ordered for survey on the 27th August; the survey was completed on the 3rd September.

1679. Then did you see any difficulty in accepting the "Minia," if the engagement was that she should be ready in 10 days?—I do not think that I was justified in selecting the "Minia" for survey under the orders which I received, when other ships were stated to be actually ready.

1680. Sir *John Hay.*] The readiness of the "Minia" was with regard to being ready to commence operations which the other ships were at once ready to begin, and fitting for the Government service, was it not?—Yes.

1681. *Chairman.*] Was that in the tender, or is it merely in the Honourable Baronet's question?—The tender showed that she was not ready. The statement in preparation will show distinctly and clearly the particulars affecting every ship tendered.

1682. As a professional man, you will confirm me in this opinion, that whilst a ship was having repairs to her own structure, essential for seagoing purposes, she might be receiving at the same time the adaptations and preparations which were necessary for the special work for which you wanted her?—I should think not. If she were undergoing any repairs to her own structure, I think the interference of one set of workmen with another would have impeded the public service.

1683. Have you had duties in a ship yard?—I have seen work in Her Majesty's yards, and I have watched work in merchants' yards at Liverpool very frequently.

1684. But has it come in the course of your duty to attend to the operations of a ship yard?—No, but I have had pretty good experience of the arrangements.

1685. What were the preparations necessary to adapt those ships for the Admiralty?—They had to lay decks, and they had to construct prisons, and they had to cut the decks for ventilation, and various matters of that sort. It was subsequently decided that we should not put up any mess tables. Issue rooms, and so on, had to be provided.

1686. Could not these preparations have been going on while any repairs were being made to the structure of the hull, or the rigging of the vessel?—It would depend upon what was doing to her structure.

1687. Have you any knowledge of what was being done to the "Minia"?—No, she was at Glasgow.

1688. What structural reparation would have been a hindrance to the adaptation which you required, going on at the same time?—We can so seldom be guided by a statement of "undergoing repairs," as to what that may mean, in a tender made by a shipowner, that it is impossible to say in what state the ship might be, or in what state our surveying officer might find her.

1689. But I presume that you could have learned the condition of the "Minia," as you learned the condition of every ship which was tendered, merely by further inquiry?—It would have been impossible to have learned the condition, except such as was stated on the tender by an examination of each particular ship, at all those ports in that short time, the number being 76. I therefore selected for survey only such as were tendered in compliance with the advertisement.

1690. If you determined upon a survey, would it not have been possible for your surveyor, if on any afternoon of any given day he had so determined, to have been on board in Glasgow, just as soon as he would have been on board in the Thames on the following morning?—I had only surveyors in the Thames and at Liverpool at that time; I had none at Glasgow.

1691. Could not a London surveyor have been on board the "Minia," at Glasgow, just as soon as he could have been on board the "City of Manchester," in the Thames?—It is possible that he might have been on board; I do not deny that at all.

1692. You had the same means then of knowing the condition in which the "Minia" was which you had of knowing the condition in which any other vessel was, had you not?—Yes; but I do not think that I should have been acting in accordance with my instructions, if I had selected her for survey when it was stated on the tender that she would not be ready for survey until the 29th, and that she would require 10 days to complete alterations and additions.

1693. Sir *Stafford Northcote.*] With regard to the "Minia," she was at Glasgow, was she not?—She was.

1694. How long would it have taken her to come to a port, where she could have taken in any stores which might be necessary?—If she were ready, it would have taken a couple of days to have brought her down to Liverpool, or three or perhaps two and a half more days to the Thames. It would have been much more convenient to the Government for her to have come to the Thames.

1695. Sir *James Elphinstone.*] She could not have been at her moorings in the Thames under four days, could she?—It would have delayed her considerably, no doubt.

1696. In fact, she could not have come under four days from Glasgow, could she?—I should think not.

1697. *Chairman.*] The "Bosphorus," of 2,130 tons, was accepted at 32 *s.* 6 *d.* per ton, if discharged at home, and 50 *s.* per ton, if discharged in India; but she was not ready for service until 14 days after you accepted her; whilst the "Minia" was offered on condition that she should be ready in 10 days, she being 1,986 tons, at 25 *s.* per ton, whether discharged in India or discharged at home; was that so?—The "Bosphorus" was accepted on the 3rd September, after survey; she entered on pay on the 10th, and sailed on the 18th, having taken in 1,967 tons of coals. The stormy weather at the time retarded the arrival of the ship from the Thames with water tanks and provisions.

1698. Then, that was giving 7 *s.* 6 *d.* per ton more

more to the "Bosphorus," if discharged in England, and 25 *s.* more if discharged in India, was it not?—I believe that to be so.

1699. The "Minia" being a new ship, built in 1867, do you know when the "Bosphorus" was built?—I do not; but it would be stated on her tender.

1700. Was the "Bosphorus" a British ship?—She was an iron ship, I think, and so she was probably a British ship.

1701. The "City of Manchester" was built in 1851, and accepted at 35 *s.* per ton, discharged at home, was she not?—She was.

1702. Do you remember whose ship the "Bosphorus" was?—I do not.

1703. You chartered three hospital steamers. The first minute I find respecting hospital steamers is on the 22nd of August, when three hospital ships were ordered to be engaged: the "Golden Fleece," the "Mauritius," and the "Queen of the South" were surveyed and engaged, were they not?—Yes.

1704. With regard to those transports, you knew those ships, did you not?—I did.

1705. You knew that they were all old ships, did you not?—I believe they were old; I remember them at the time of the Crimean War.

1706. The "Mauritius" was built in 1852, the "Queen of the South" in the same year, and the "Golden Fleece" in 1854; was that so?—Yes.

1707. They all belonged to the same owners, did they not?—It was really very difficult to find out what owners they belonged to, they were tendered to us by certain brokers.

1708. The "Golden Fleece" was engaged for twelve months, was she not?—She was employed for 12 months, but only engaged for six months certain.

1709. And she was paid 49,824 *l.*, was she not?—I have no doubt, if that is from the Accountant General, that it was so.

1710. That is 18*l.* a ton, is it not?—Probably so.

1711. The "Mauritius" was employed 13 months and 12 days, was she not?—She was discharged on the 17th of October, and engaged on the 16th September.

1712. The freight paid to her was 42,872 *l.*, was it not?—Probably that was so.

1713. That is 20 *l.* 1 *s.* 9 *d.* per ton, is it not?—Probably that was so.

1714. The "Queen of the South" was employed 13 months and 26 days, was she not?—She was discharged on the 31st of October.

1715. She was paid 43,427 *l.*, was she not?—Probably.

1716. She being 2,090 tons, that is 20 *l.* 15 *s.* 6 *d.* per ton, is it not?—Probably.

1717. The total payment to those three vessels was 136,123 *l.* 17 *s.* 4 *d.*, was it not?—Very likely.

1718. Are you aware that shortly after their arrival at home, the whole three vessels were sold for 50,000 *l.*?—I am not aware of that.

1719. Assuming that to be the fact, the figures will be that they received 136,123 *l.* hire for 12 months or thereabouts, and that on leaving their employment they sold for 50,000 *l.*, so that their hire was 86,123 *l.* for a twelvemonth, in excess of the price they sold for?—Very possibly.

1720. Are you aware that those ships could have been bought at 8 *l.* per ton at the time they were chartered?—No, I am not.

1721. Was any inquiry made as to their value?—Not by me.

1722. If that be true it will follow, will it not, that whilst you have been paying 20 *l.* per ton for 12 months' employment, they could have been bought for 8 *l.* a ton?—If that be true.

1723. Do you know if these three vessels were a part of a fleet belonging to the same owners with the "Indiana," the "Hydaspes," the "Lady Jocelyn," and the "Calcutta?"—I do.

1724. Are you aware that out of that fleet of seven ships, you having engaged three, four were sold at about the time when you engaged those three, for a sum slightly in excess of 30,000 *l.*, they all being ships of the same character?—I am not aware of that, but these ships were offered to the Government on the 21st October 1867 for 80,000 *l.*; the letter is herewith. (Vide *Appendix.*)

1725. Sir *John Hay.*] Had you any instructions from the Admiralty to purchase transports as an alternative for hiring them?—No.

1726. *Chairman.*] You acted in conference with a Lord of the Admiralty, the Honourable Baronet on my right (Sir John Hay), did you not?—I did.

1727. In the engagement of tonnage you conferred with him, did you not?—I did.

1728. Were there any other parties to the engagement?—No.

1729. Was there agreement between you as to the course taken in every case?—Sir John Hay visited my office some three or four times a day, to examine papers, and to consult on the various points of the Expedition; and I think he generally approved of the decisions which were arrived at by myself.

1730. Was there uniformly concurrence between you?—There was uniformly concurrence between us.

1731. Taking the "City of Manchester," again by way of example, she came on to pay on the 4th of September 1867, did she not?—She did.

1732. Was she in the Thames?—No, the "City of Manchester" was in the Mersey.

1733. What did she take out?—She took out a certain amount of stores, and as much coal as she could carry; viz., 160 tons provisions; 30 tons bedding; 89 tons War Office stores; 24 tons water tanks; 1,670 tons of coals.

1734. Did she receive her coals in the Mersey?—She did.

1735. Do you know when she sailed?—The "City of Manchester" sailed on the 18th of September.

1736. Then she was a fortnight in being coaled, and in getting her cargo on board, was she not?—Yes.

1737. Sir *John Hay.*] And fitting?—And fitting.

1738. *Chairman.*] She was chartered on the 27th of August, was she not?—Yes.

1739. She was not received on pay until she was fitted, was she?—Not until she was fitted on the part of the owners.

1740. What part of the fittings did the owners supply?—Laying the Lazarette deck; constructing issue-rooms, bulk-heads, platforms, baggage-room, and a variety of other work specified in Art. 103 and 104 of the Regulations.

1741. What fittings did the Admiralty construct?—The Admiralty supplied the ventilating tubes, and so on, for the deck; the decks were cut under the certain stipulation contained in Art. 104 of the Regulations, by the owners on behalf of the Government. Each ship was specially

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docked to see that her bottom was clean, and to examine sea cocks.

1742. You did no fittings for ventilation then, did you?—We supplied the tubes and funnels, the owners cut the decks where we wished; in addition to the tubes and funnels for ventilation, the following fittings were done at the Government expense: arm racks, hammock battens, hammock hooks, hospital screens, guard and round hatchways, ladders, latrines, urinals, waterclosets, &c.

1743. Did some of those transports sail from Liverpool?—A great many; nearly all sailed from Liverpool, excepting the three hospital ships.

1744. Then the inconvenience of a ship being at Glasgow, would be merely the difference of passage from Glasgow to Liverpool, would it not?—It was inconvenient enough to have them at Liverpool, and it would have been still more inconvenient to have them at Glasgow.

1745. You could examine a ship as readily at Glasgow as at Liverpool, could you not?—We could examine her as readily at Glasgow as at Liverpool.

1746. How many ships left the Thames?—Three only; the three hospital ships.

1747. The "City of Manchester" and the "Medway" were not hospital ships, were they?—No, they all went from Liverpool except the three hospital ships.

1748. When did the last vessel sail from Liverpool?—The "City of Dublin" sailed, I think, on the 27th September.

1749. Can you explain how it was that she was so long detained?—I think she had a collision in the river, and was detained for repairs.

1750. She came on to pay on the 8th of September, did she not?—The "City of Dublin" came on to pay on the 8th of September.

1751. There was an interval of 19 days between the time of her sailing and the time when she came on to pay, was there not?—Yes; but during the time that she was under repair after the collision her pay was stopped until she was again ready.

1752. That was after the 27th, was it not?—No, she sailed ultimately on the 27th; she was in collision in the river.

1753. When did the "Queen" sail?—The "Queen" sailed on the 14th of September.

1754. And she came on to pay on the 7th, did she not?—The "Queen" came on to pay on the 7th.

1755. She was only a week in getting ready, was she?—They were considerably delayed, to take in the coals; it was a very serious matter to take in the coals.

1756. She was a week in getting ready, was she not?—Yes.

1757. When did the "Peruvian" sail?—The "Peruvian" sailed on the 12th.

1758. And she came on to pay on the 4th, did she not?—She did.

1759. How do you explain one vessel getting away in a week and the other being detained a fortnight?—From her getting in her stores more rapidly and coaling more quickly, and some of them receiving a very small quantity of stores.

1760. Sir *John Hay.*] As a matter of fact, there were various kinds of War Office stores which had to be sent out?—Yes; we sent out 800 tons of provisions, and 1,556 tons of bedding stores and water tanks in the ships from Liverpool, and they took in likewise 14,590 tons of coal.

1761. *Chairman.*] You advertised for steamers for mule transports, did you not?—Yes.

1762. You had upwards of 70 tenders, had you not?—A very large number; I think 75.

1763. Thirty-five were according to the specification, were they not?—I believe so.

1764. And five were accepted?—Five only were accepted, the "Empress," the "Parana," the "Commondouros," the "Bolivar," and the "Venetia."

1765. The rates were 24*s.* 9*d.*, 25*s.*, 30*s.*, 30*s.*, and 34*s.* 6*d.*, the last being the "Venetia"; that was so, was it not?—Yes.

1766. From a Return which I have in my hand, it appears that you had a very large number of ships offered at 22*s.*; was that so?—A very large number.

1767. I should like to know why, this being so, you gave 34*s.*?—It was exceedingly difficult to obtain ships of a proper height between decks, and in all matters suitable.

1768. Will you put a statement before the Committee showing the grounds of the rejection of those ships?—I will.

1769. The transports carried as much coal as you could put on board of them, I suppose?—As much as possible. I have a statement showing the quantity put on board at Liverpool to be about 14,590 tons.

1770. You loaded them mainly with coals, did you not?—With as much as they could carry.

1771. They were going to Bombay, were they not?—They were going to Bombay.

1772. Would the coals which they took out be sufficient for them to steam their passage?—No; some of the larger ships which completed with coal cargoes were unable to use the coal which they took as cargo, unless they took in ballast; they would have to transfer one to the other, and they were absolutely obliged to take in more coal or more ballast.

1773. And notwithstanding that those vessels were 2,000 tons, and upwards, on an average?—That happened to some of the larger ones, and especially to the "Queen," and the "England," as far as my memory serves me.

1774. Then those vessels were not capable of taking on board coals enough to steam them to Bombay?—Not without taking in ballast.

1775. Do you think that a convenient class of ship to have for a transport ship?—They were the very best we could get.

1776. Notwithstanding that you rejected between 20 and 30?—Yes.

1777. And notwithstanding that you rejected 20 or 30, you had to accept ships which could not carry coals to steam themselves to India?—They appeared, as far as could possibly be ascertained, to be the very best and most suitable ships for the duties; they carried a very large amount of fuel as cargo; but it was necessary if they used the coal which they had taken in as cargo to take in ballast.

1778. Which of the vessels would not carry enough fuel to steam themselves out?—I think, as far as my memory serves me, two of the best and largest ships sent out, the "England" and the "Queen."

1779. Would the others have steamed themselves out?—Very nearly.

1780. The instruction was, that they should call at the Cape, and coal up there, was it not?—They

They were to complete wherever they could to insure their voyage.

1781. The coals at the Cape cost 6 *l.* 9 *s.* 5 *d.* per ton, did they not?—I believe so, but I do not know; some coal was sent by steam.

1782. Coals were mainly sent by steam to the Cape?—There was no coal at the Cape, or next to none, when the service commenced.

1783. You sent coals by steam to the Cape, in order that the coal might be there, for the purposes of those transports as they arrived, did you not?—That was the intention.

1784. Then all the coals which those vessels would receive on board at the Cape would be coal which went there by steam, would it not?—Yes, by steam colliers.

1785–6. As you have said the coals which were put on board at the Cape cost 6 *l.* 9 *s.* 5 *d.* a ton?—I do not know; I believe so.

1787. Do you remember that it was also stated in evidence, that the coals at Bombay cost 70 *s.* per ton?—Yes.

1788-9. Then in point of fact, you were sending out coals to the Cape to be put on board at 6 *l.* 9 *s.* 5 *d.*, and stopping the ships which could have gone to Bombay, and got a supply there at 70 *s.*?—I do not think that it would have been right to send steamers to Bombay, without making arrangements for their taking in coals at the Cape if necessary.

1790–1. If steam colliers had not been employed, there would have been no coals for the steam transports when they got to the Cape, would there?—No.

1792. The coals supplied at the Cape for those transports necessarily were supplied by steam vessels, were they not?—I believe so.

1793. Then did not the coals there necessarily cost 6 *l.* 9 *s.* 5 *d.* a ton?—Yes, I believe so.

1794. By going on to Bombay, would they not have got coals at 70 *s.* a ton?—Yes, if they had not required coaling on the way.

1795. Then there was a loss of nearly 3 *l.* a ton, was there not, besides a loss of time by stopping at the Cape to take in coals?—Yes.

1796. For those ships which could steam themselves through, then, there was an unnecessary cost, was there not?—If the ships could have steamed through without taking on board any coal, the cost for coal would have been less considerably.

1797. Whatever that extra cost was, much or little, it would add to the expense of the Abyssinian Expedition, would it not?—Yes.

1798. At this moment there is an immense stock of coals at the Cape still, is there not?—I do not know what the quantity of coals at the Cape is.

1799. Coals could only be needed at the Cape for those transports, could they?—They are needed for various naval purposes.

1800. After the transports had passed the Cape, of course, the coals at the Cape were of no further use to them?—The ships coming home required them on their return voyage.

1801. But you would not coal those coming home which were discharged in India?—Not those which were discharged in India; but it was not then decided whether they would come home or not; four of them did return and were discharged in England.

1802. To supply coals for return steam transports you would never have thought of sending them by steam to the Cape, but you would have sent them by sailing vessels, would you not?—They would have been sent by sailing vessels, and I believe that the largest quantity was sent by sailing vessels.

1803. They could not double the Cape and back in less than eight or nine months, could they?—No.

1804. You would never have thought, would you, of sending coals there by steam to meet the transports coming home again?—Certainly not.

1805. You had to do with determining the quantities of coals to be sent to those various stations?—It was my duty to state the quantity I thought might be required; it rested with the Board of Admiralty to decide on the quantity, and to give orders to the Storekeeper General for the supply.

1806. On what basis did you reckon the vast quantity at the Cape, where 10,000 tons were left afterwards, not having been needed?—At the outset it was considered that a very much larger amount of tonnage, at least 40,000 tons, would be required to go *viâ* the Cape. Therefore, a large amount of coal would be required there.

1807. A larger number of transports similar to those which were engaged?—Yes.

1808. If you had required 10 times the tonnage the wiser way would have been to have coaled them here to have steamed through, would it not?—We put on board as much coal as we could.

1809. Were not the whole of the vessels engaged here capable of carrying coals to steam themselves through, except two?—No; the three hospital ships were not quite capable of carrying coals enough to steam them through. They were filled up with War Office stores to a very great amount, and they could not take on board a very large quantity. The others leaving Liverpool took on board as much as they could, after affording space to the stores which they were required to convey.

1810. What was the difficulty in the hospital ships carrying coals to steam themselves out?—They were filled up with stores entirely, such as mule carts and all sorts of things; their decks were completely filled with stores.

1811. You would not put coals on the decks, but how was the hold filled?—They took, in fact, as much coal as they could in the hold, leaving space for the stores.

1812. I want to ask you a question, to correct a popular misapprehension; the ships were engaged at per ton, gross tonnage, were they not?—Yes.

1813. That is the invariable rule in the mercantile service, is it not?—I believe it to be so. It has been the practice of the Admiralty.

1814. There was no departure from the ordinary practice in that, was there?—No.

1815. It is the practice in the mercantile marine, in engaging steam vessels at so much per ton per month, to engage on the gross tonnage, is it not?—On the gross tonnage I believe.

1816. Mr. *Holms.*] When at first you advertised for transports, did you make any inquiry as to whether our own fleet, or any portion of our own fleet, would be made in any way available for the service?—Acting under the order from the Board of Admiralty to take up ships, I concluded at once that they had no ships to give us.

1817. With regard to an answer which you gave the other day, about the calculation which you made; the calculation which you made was, that 21,500 men would be landed; it turned out however, afterwards, that 42,699 men were landed; are you aware of the number of followers which

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which is generally calculated for?—I roughly estimated the tonnage upon the numbers given to me at the India Office on the first day, at 131,000, total tonnage.

1818. But you made no calculation at all, did you, excepting for the men which were given to you?—That was all. I have now a return showing the amount of tonnage, calculated for the number to be conveyed to Abyssinia, and the amount of tonnage required for those who were actually conveyed, calculated on the same basis; the estimate was made however with reference to the finest season of the year, and would be inadequate for very hot weather.

1819. I think that generally you seem to show that the making of any bargains for shipping did not rest with you; you had not the responsibility of fixing the prices yourself, had you?—The ships were accepted according to tender, subject to survey. We made no bargains.

1820. With whom did the responsibility rest for fixing those prices, upon which you ultimately did fix?—Myself and the Lord of the Admiralty acting with me.

1821. Do you not imagine that, in all probability, it would have been much better if you had had a separate department, with a commercial man at the head of it, who thoroughly understood how to make bargains of all kinds. I, not being a naval man, of course, could not undertake in any way to command a ship; and so, in the same way, I do not suppose that you would like to undertake to make those contracts up to the same extent, perhaps, which you were called upon to do; but do you not really think that it would have been better if you had had a commercial man to make your arrangements for you, as regards those contracts?—Under some circumstances a commercial man would be of great use to us, but not in regard to obtaining freight in large quantities. We generally find that public advertisement gives us very low rates. Ships are frequently put upon the berth which do not appear upon the berth; that is to say, on Lloyd's Lists, and other lists; but there are times when it would be convenient to employ a broker, and a man who understood City arrangements, and could possibly obtain freight when we are unable to do it. We advertise at times for the freight of Government stores, and do not obtain any tenders at all. We have a case of the sort at this moment.

1822. Sir *James Elphinstone.*] With regard to the "Mènia;" who was the owner of that vessel?—She was tendered by Pyle & Co.

1823. Could you put in the names of the owners, and the ports they hailed from, of all the ships which tendered?—Yes; I am preparing a full statement which will include that.

1824. If a mercantile man were employed in this business, do you not think it would give rise to considerable reflection as to the person employed, and the firm, and so on, and that it might be considered somewhat in the light of a job?—I think, as a general rule, the public derive full benefit from a resort to public advertisement.

1825. Mr. *Holms.*] My question was whether, with your experience of the past, it would not be better to employ a commercial man to look after the whole of the bargaining in connection with a matter of this kind; to which you answered that those advertisements were put in; but in opening the tenders a commercial man would be able to understand, by his ordinary commercial knowledge, the best mode of arriving at really the cheapest and the best of those tenders, would he not?—The tenders being once sent in, with their specifications, we can form, from experience, a tolerably just estimate of the ships to be selected, and we are rarely wrong. Sometimes it so happens that the surveys lead to rejection, and so on; but, I think, as a rule, that the principle of public competition is a good one, and that the selection is wise.

1826. A public competition undoubtedly is good, and it is the ordinary business mode; but for selecting what really was the best ship to be taken, and the best value, would not a commercial man very likely select the best value, and make the best bargain?—It is possible; but it is a question upon which I should hardly like to express an opinion. It is very possible that it might lead to a public advantage, but, as I said before, public advertisements bring out an enormous number of ships tendered, and our surveyors have a very large experience of shipping generally, and we are able on their report to select the ships best adapted for the service.

1827. Sir *James Elphinstone.*] Supposing that this mercantile agency was established, would it be possible to conceal the fact from the public?—I suppose not.

1828. If the agent moved in the market, and was found at Lloyd's or elsewhere inquiring as to the quantity of shipping, and so forth, would it not be very likely to create attention and to make a move in the price of freights?—I think, in this special instance, nothing was known of the number required at all which led to the tenders being so very numerous; and, as compared with previous transactions of a similar nature, the tenders were low.

1829. In point of fact, will the tenders bear a very favourable comparison with the tenders upon previous occasions?—They will.

1830. Are you aware that the Government have a broker for the purpose of negociating their financial matters?—I am not aware of that.

1831. I think that he does not move without people being aware of it. With respect to the "Golden Fleece," the "Mauritius," and the "Queen of the South," which sold for 50,000 *l.*, and the "Indiana," the "Lady Jocelyn," the "Hydaspes," and the "Calcutta," which sold for 30,000 *l.*, are you aware whether they belonged to the Steam Navigation Company for the purpose of trading to the East Indies, which had become bankrupt?—I believe they did; I have heard so.

1832. They were laid up in the Victoria Docks, were they not, when they tendered to you?—They were taken from the Victoria Docks; they were fully rigged.

1833. They were all lying together there, were they not?—Yes; there were three ships lying there.

1834. Are you aware that the firm of Overend & Gurney were the principal proprietors of that line of steamers?—I heard so after the ships were tendered.

1835. Are you aware that, in consequence of the embarrassments of that firm, those ships were disposed of by forced sale?—I believe that to be the case.

1836. Consequently, the sum of money which they realised by no means represented the intrinsic value of those ships, did it?—I should fancy not.

1837. It is possible, is it not, that ships which could not perform the service which they were called upon to perform, which was to go out to India

India without coaling on the passage at any place, might be very useful and efficient transports?—Yes, they were good hospital ships; they were well ventilated, and were well cut, with side ports, and it was in consequence of my knowledge of them that I named them as hospital ships.

1838. Supposing that you loaded any one of those ships up to their hatches with coal, would it be possible for her to exhaust the whole of that coal, without having recourse to ballast of some description to steady her?—That proved to be the case with regard to the "England" and the "Queen;" I think the two largest and best ships sent out.

1839. So that those ships were not able to exhaust their coal?—The "Golden Fleece," the "Mauritius" and "Queen of the South," were of moderate horse-power, and they were fully-rigged ships; and therefore their coal consumption was not so large, and it was not so essential for them to take in coal as for some of the others.

1840. But the other ships, which required the coals for ballast, arrived in India with a great quantity of coal in their holds, did they not?—They arrived at Bombay with a considerable quantity of coal in their holds.

1841. That coal was laid in at Liverpool, at 20 *s.* a ton, was it not?—At rather less than that I believe.

1842. Then, you are entitled to take credit for that amount of coal, at 19 *s.* a ton, or whatever it was, as a set-off against the coal which you took in at the Cape for the purpose of carrying the ship out, are you not?—Yes, that would be a set-off, certainly.

1843. You were obliged to maintain a considerable stock of coal, in reference to the ships that had to come home from Abyssinia, I think?—Yes; the Cape was supplied with coal for that object.

1844. And you had a requisition from General Milman for the Abyssinian transports, to bring home a large number of invalids from the Mauritius, had you not?—Yes.

1845. By that time the coal that had gone out in sailing ships had arrived, had it not?—Yes.

1846. So that, in point of fact, the price of the coal that you made use of at the Cape was the average price of what went out in sailing ships, and what went out in steamships, was it not?—Yes.

1847. Colonel *Barttelot.*] Did you know anything of the tenders that were given out in the Crimean War?—I was in the Crimea at the time, and I do not know what took place in this country, but the average was high, I believe.

1848. What was the average in the China War?—The highest engaged in England was 35 *s.* per ton, and the lowest 25 *s.* per ton. The highest engaged in China was 74 *s.* 4 *d.* per ton, and in India, 101 *s.* 3 *d.* per ton; the lowest were 25 *s.* per ton, engaged in England; 43 *s.* 2 *d.* per ton engaged in China, and 40 *s.* 10 *d.* per ton engaged in India.

1849. Then, on the average, those prices were higher, were they not, than the prices during the Abyssinian War?—Very much higher.

1850. Your great object was to get vessels that were fit for the business, and as reasonably as you possibly could, was it not?—Yes.

1851. Supposing that you had to go through the same business again, do you think that you could have taken up transports at a cheaper rate than you did during the Abyssinian War?—I do not think we could have done better than we did.

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1852. Some questions have been asked you with regard to the "Minnia" at Glasgow, as to which it was stated that it would be able to be fitted out 10 days afterwards; were not your directions very strict upon that point, that you were not to take any vessel up which would not be ready immediately?—The advertisement was issued in those terms; none were to be tendered that were not ready in every respect to leave the country immediately.

1853. Would it not have been a very great inconvenience to have taken ships that stated that they would be only 10 days in preparing, when it is very possible that having taken them up, they might have been 20 or more days in preparing?—Quite so; I do not think it would have been safe to have ordered any ship for survey on which a doubt was implied by their tenders.

1854. As I understand it, it was absolutely necessary that those ships should be ready in the shortest possible time?—Yes.

1855. If you had an uncertainty about those ships being ready, you could not have been able to state to those who gave you orders when those ships would have been ready to sail, could you?—It was a matter of such importance, and it was considered so pressing, that I thought it desirable to select only those ships for survey which appeared on their tenders to be in all respects ready. I ordered a larger amount of tonnage for survey than I was ordered to provide, simply that I might have something to veer and haul upon; that I might have a large number to select from and to classify, so as to make up the 20,000 tons; and in ordering ships for survey, I selected the cheapest of those stated in their tenders to be ready, and which appeared to be in all other respects suitable.

1856. Being accustomed to naval matters all your life, do you think it would have been a prudent or a wise thing for the Government to have instructed you to have bought up vessels for this Abyssinian Expedition?—Even had I been so instructed, it would have involved a very serious delay. Had it been possible for the Government to have purchased ships, they would have had to man them and equip them; and where the men were to be found or provided, I do not know. It certainly would have proved a delay, and their equipment and maintenance would have been additional to the cost of the ships; but I apprehend if the Government had gone into the market to buy so many thousands of tons of shipping at once it would have been a very serious matter.

1857. It would have raised the price of all those ships at once, would it not?—The moment the Government opened its mouth in want of shipping the prices would have gone up enormously for vessels not worth much in themselves; and I know that many vessels have been offered at various times to the Government which have been of little value to it, and would have necessitated a large outlay to render them suitable. I recollect that after the "Trent" affair a ship was offered to the Government for sale at considerably less than had been paid for her hire; but, as a ship for permanent employ in the conveyance of troops, I would not have recommended the Government to have purchased her.

1858. Therefore you think it would have been a very

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a very wild proposition indeed to have bought up ships for the purpose?—So far as my experience goes, it would have been.

1859. If you had had to sell those ships after this expedition was over, do you not think that the price would have gone down to almost nothing?—I think it might have been better to have abandoned them or have burnt them, by which I mean that the possession of them by the Government would have entailed much trouble subsequently, and a greater expense than they would probably be worth, as in all likelihood they would be unsuitable for permanent troop-ships.

1860. Therefore, looking at the matter in a business-like point of view, you do not see how you could have improved upon the plan which was adopted by the Government?—No, I really do not; and I have looked at it closely with reference to the urgency of the case, and to the uncertainty which existed as to the duration of the war.

1861. Sir *John Hay.*] On the subject of purchasing transports, which you do not recommend, is it not the fact that at the commencement of the war, or about that time, there was a transport, the "Russia," which was tendered to the Government for purchase, and did you discover that the rate at which she was tendered was a particularly low one?—I do not recollect the "Russia" being tendered for this particular service; but I was ordered to examine her.

1862. Was there any particular advantage in purchasing a ship of that sort for the service?—Not at all; she would have had to be entirely altered at a very considerable expense, and though she was a new ship and well adapted for the service for which she had been constructed, she was utterly unsuitable as a ship for the conveyance of troops.

1863. How many transports altogether were employed in the Abyssinian Expedition?—There were 75 steamers and 205 sailing ships.

1864. Do you think it would have been wise to have purchased all those ships instead of hiring them?—Certainly not.

1865. With reference to the supply of coal at the Cape and at Bombay, were not the instructions, with reference to the expedition, under which we acted from my right honourable friend on my left (Sir Stafford Northcote) such as to make it advisable that the transports, which were leaving England and were going to Bombay to convey the troops, should be there within the month of November?—Yes.

1866. Those were the instructions under which the Admiralty acted, were they not?—Yes.

1867. Was it not also known that the pressure for coal, the pressure for labour for coaling the ships at Bombay, and the general pressure for hurrying the expedition away, would be such that it was deemed desirable that those transports should arrive at Bombay with enough coal on board to take them from Bombay to Annesley Bay without again coaling?—Yes; it was considered desirable, as much as possible, to lessen the strain put upon Bombay. As a practical man, it seems to me a wonderful thing how much work was done in Bombay in so short a time with the resources they had and under the circumstances of so sudden a pressure being thrown on the resources of Bombay harbour.

1868. Was not that the occasion of filling the ships up with as much coal as they could carry, and refilling them at the Cape of Good Hope with coal already sent there, so that when they arrived at Bombay they might still have coal on board sufficient to fill the bunkers, and be ready for service to proceed at once to Abyssinia?—Yes; as far as my memory serves me, it was in conversation with yourself that those arrangements were made. To hurry the steamers out, prizes were given to the captains to arrive there at a given time completely ready for service.

1869. Those rewards being obtained by the three first ships which arrived there?—Yes.

1870. Sir *Stafford Northcote.*] Was there not, however at the same time, a desire on the part of the Store Department of the India Office to detain the ships in this country as long as possible, in order to fill them up with such stores as were in preparation?—There was.

1871. It was therefore a matter of some little difficulty, was it not, between the Store Department of the India Office and the Transport Department to adjust the sailing of the ships, so as on the one hand to get the greatest possible quantity of stores ready, and on the other hand not to lose the necessary time for sailing?—That was so.

1872. With regard to the "Minnia," your advertisement was for ships that were ready to depart immediately, I think?—Yes.

1873. Would it have been fair to other shipowners who might have declined to tender, their ships not being ready to sail immediately, if a vessel that was notified as not being ready to sail for 10 days had been accepted?—Yes, and she would not probably have been accepted even if she had been ordered for survey under the circumstances.

1874. According to the terms of the notification, a shipowner who had a vessel that would not be ready for 10 days or a fortnight, would not have been properly entitled to tender her at all, would he?—Certainly not.

1875. Mr. *Seely.*] When you engaged those vessels were you acquainted with the rates of freight then payable in Liverpool and elsewhere?—I was not; it depended upon what the advertisement itself brought out to us.

1876. Were you acquainted with the rate paid per ton, per month, by merchants in the open market?—I was not.

1877. Did you endeavour to make yourself acquainted with it?—I made no effort to obtain information out of my office, beyond calling for public tenders.

1878. Do not you think that that would have been some guide to you in knowing what was a reasonable price?—The tenders themselves, and the number of tenders presented, checked one another so very much that it was as good a guide as one could have.

1879. Then you, as the party empowered by the Admiralty to make contracts, did not consider it a part of your duty to make yourself acquainted with the then market rates of freight?—I did not consider it my duty to go into the City to make any inquiry of that sort.

1880. Can you inform the Committee what amount of tonnage was employed in the Mediterranean in taking mules from Spain and other places to Alexandria?—I know what amount of tonnage there was in our own mule ships, in ships taken up by ourselves; we took up 5,002 tons for that purpose, but there were some mules conveyed under arrangements by the Commissariat officers in the Mediterranean altogether independently of the Admiralty.

1881. Was any return made to you of the number of mules put on board of the ships?—Yes, we have such a return. The number of mules conveyed in ships in the Mediterranean, under the Admiralty, amounted to 2,566, and 5,562 were conveyed in ships engaged by Commissariat officers.

1882. How many were landed?—Of the total number conveyed or shipped by the Admiralty, 52 were lost, that is, died, or 2·02 per cent. died on the passage. Of those conveyed under the Commissariat officers, 244, or 4·02 per cent., died on the passage.

1883. Was that loss spread over the ships in a uniform rate, or was the loss chiefly in particular ships?—The loss, I think, was spread over all our own ships uniformly in a small proportion. It arose from the fact that the stalls were fitted for the large Spanish mules, and they were a little too large for the small animals on board, and when they got into bad weather some of the mules were injured in consequence.

1884. Are you aware whether any mules died from the want of provisions on the passage?—I never heard of it.

1885. *Chairman.*] Was there a military officer sent to Alexandria?—There was.

1886. There was an officer appointed as Superintendent of Transports at Alexandria, was there not?—The officers at Alexandria were employed under the Government of India. There were other officers there.

1887. Who was the military officer there?—At that time it was Colonel Clarke Kennedy who was sent out specially for this service, and the military officer stationed there was Colonel Ross; Colonel Clarke Kennedy died.

1888. Who was the Superintendent of Transports?—Captain Willoughby.

1889. He is in this country now, is he not?—He is in this country now.

1890. You say that the steamers which you hired for hospitals were the property of a company, which was then, or subsequently became, bankrupt?—I believe they did; I heard as much said about them; but, of my own personal knowledge, I know nothing; I heard it gossiped about that they were so; that they belonged to Overend Gurney; and, jocosely, they were called the Overend ships.

1891. They were in tribulation, or in deep waters, when you chartered them, were they not?—I do not know that of my own knowledge.

1892. If it had been the policy to buy, you would have bought them all the cheaper for that, would you not?—If the Government had gone into the market to buy a large amount of tonnage, I think prices would have gone up wonderfully.

1893. Do you think that with the limited tonnage you wanted, only 20,000 tons of steam tonnage, in other words only 13 vessels, you would have been able to negotiate on much more favourable terms by private negotiation than by public tender?—I do not think so.

1894. Did the Admiralty ever try that process?—Yes; I have, by order of the Admiralty, asked a reliable City broker, and his distinct answer to that question was, that the public gained the best advantage by public advertisement. He himself said that it brought out ships that were not before placed upon the berth for any particular use, and that, as a rule, the public had the best of it. That was his own distinct and clear answer.

1895. Who was the Commissariat officer who engaged tonnage to convey the 5,000 mules in the Mediterranean?—There were a great many, I do not know them by name; they were sent about to various parts of the Mediterranean. The Committee will get that information from the War Office.

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1896. In November you attempted a re-arrangement of the conditions of the charter; what did you save by that effort?—I have a statement here, which I purpose putting in, showing what has been saved to the public; it is made up from the books of the Accountant General, as regards the hire, and it shows that 38,425 *l.* were saved to the public by discharging certain ships at Bombay.

1897. The conditions of the charter set out so much per ton per month over the entire period of hire, in the event of their being discharged in India, did they not?—Yes.

1898. You entered into negotiations to fix other terms, in the form of a lump sum; what did you save by that operation?—The lump sum was rather more than what would have been paid upon the extended hire, and therefore they were paid the original rate over the period of hire, and discharged at Bombay, excepting only in the case of the "Kangaroo."

1899. Do I rightly understand you to state that the Admiralty incurred a loss by the fresh negotiations?—So to speak, the lump sum offered by the owners exceeded the amount, that is the difference between the home rate and this foreign rate over the period of hire, and therefore they (excepting the "Kangaroo") were discharged at Bombay upon the original term of hire.

1900. You did succeed in some negotiations, did you not?—They were never finally concluded, excepting as regards the "Kangaroo."

1901. Then nothing came of that negotiation?—No, with that exception; we balanced one probability against the other, and as we could never ascertain when the war would absolutely terminate, they were discharged at the foreign rate.

1902. Major *Anson.*] Have you any knowledge of the French system of hiring transports on occasions of this sort?—I have heard of the French Government negotiating with brokers in this country.

1903. They do not do it by public advertisement, do they?—I do not know of my own knowledge that they do.

1904. As a general rule, they employ the ships of their navy to a very large extent, do they not?—They employ the ships of their navy to a very much larger extent than we do.

1905. Mr. *Baxter.*] Do I understand you to be of opinion that no changes could be advantageously introduced into the mode and manner of engaging the transports hitherto adopted by the Admiralty?—I think public advertisement for transport hire the best.

1906. That is not quite an answer to my question; do I understand you to be of opinion that no changes could be advantageously introduced into the mode and manner of engaging transports hitherto adopted by the Admiralty?—Transport hire means ships engaged by the Government wholly, at a monthly rate per ton; I think that, as a general rule, they will be obtained at a lower rate by public advertisement than in any other way.

1907. Then are the Committee to understand that you are not prepared to recommend any al-

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teration in the system that has hitherto prevailed?—Not as regards transport hire.

1908. Do you consider that system as nearly as possible perfect?—I think the competition in the market is so great that the public derive the fullest advantage from public advertisement.

1909. Do you disapprove of the plan adopted in France, and adopted in other countries, and also adopted by private firms (not universally, but occasionally), of engaging tonnage in a quiet way, through agents or brokers, without public advertisement?—I think there are some times when the assistance of a broker would be very useful.

1910. Then would you be prepared to recommend a change in a certain degree?—A modification, such as would not throw the Government wholly into the hands of a broker.

1911. I understand that you are prepared to recommend such a change as this: that the Admiralty for the future should not adopt any particular mode of engaging transports, but that they should sometimes advertise in the newspapers, and should occasionally employ a broker, or other accredited agent, with a view of picking up vessels at as cheap a rate as possible?—Certainly; if it would benefit the public, it would be right to do it.

1912. But is it your opinion that that alteration would benefit the public?—I think there are some times when the assistance of a broker would be very valuable; I think he might obtain freight at times when we are unable to obtain it at all.

1913. Do you think that the practice hitherto prevailing might be advantageously modified, or altered, in that sense?—In that sense I do.

1914. Sir *James Elphinstone.*] Will you state what was the name of the broker who was consulted by the Admiralty as to your mode of procedure?—Shaw, Maxton, formerly Shaw, Lowther, has been just consulted; it is a matter under consideration. I have been in one instance directed or recommended to communicate with him, and I have done so.

1915. Mr. *Christopher Denison.*] Is it not the fact that the French are now building a large fleet of steam transports?—I believe that they are; they go into that very much more largely than we do; they have what are called stable ships, infantry ships, and hospital ships, and they go into it to a very large extent.

1916. Sir *John Hay.*] Would you recommend a larger number of navy transports to be kept than are at present kept?—Yes; I do not think the Admiralty ought ever to be without from 10 to 12 vessels, and those not employed should be kept ready in the steam reserve.

1917. What should be the tonnage of those transports?—Their tonnage should not be less than the tonnage of the "Himalaya," 3,600 or 3,800 tons.

1918. Do you speak of those in addition to the five transports in the Indian service?—Yes; I think the Imperial Government ought to possess some of their own; the five Indian transports belong exclusively to India; they were built by India, and every expense connected with them is paid by India.

1919. Do you think that the knowledge in the market that the Government was possessed of such a fleet would tend, at the commencement of any great expedition, to keep down the price of transport?—No doubt it would.

1920. Major *Anson.*] Have you had sufficient experience of the working of those Indian transports to tell whether they have effected a very great saving?—They have effected a saving certainly over the Cape route, though not so great a saving as was originally estimated; nor was it possible to estimate with any great degree of accuracy for a service of that nature connected with the expenses in Egypt and elsewhere.

1921. *Chairman.*] You mean ships of the "Jumna" class?—Yes.

Captain George Tryon, R.N., called in; and Examined.

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1922. Sir *John Hay.*] Will you state to the Committee what were the first orders which you received, and when, with reference to service in Abyssinia?—The date of my appointment is the 31st of August 1867.

1923. Are those orders similar to those which the Director of Transports has already read to the Committee?—They are.

1924. On what day did you arrive in London to commence your duties?—I cannot exactly say, but it was early in September 1867.

1925. Will you state to the Committee what was the nature of the duties which you were enjoined to perform before leaving England?—I was desired to visit the ships which were already chartered for the expedition, and to acquaint myself with their capacities, and details generally. My duties were limited to that.

1926. Having done so, what were the next orders which you received?—To proceed to Bombay.

1927. On what day?—I left England on the 17th of September 1867.

1928. Did you make yourself acquainted with the probable requirements of the transport service at Suez or at Aden, on your way to Bombay?—As far as the limited time at my disposal would admit, I did so. It was only the time that ordinary passengers going to India has at those ports.

1929. On what date did you arrive at Bombay?—On the 10th of October.

1930. Will you state to the Committee the nature of your duties when you arrived there, and the condition of the preparations for the expedition?—The pioneer force had already left. A considerable number of ships were chartered, but I was told a limited number of charter parties only were issued. My duties on arrival at Bombay were limited to conferring with the Superintendent of the Marine, Commodore Young (since dead), with a view of ascertaining and insuring that there should be nothing left deficient in the equipment of the expedition. I also was desired to look over the charter parties; in fact, to look generally into all matters connected with the Transport Department, and I was at liberty to recommend anything on any point which I thought fit to draw attention to.

1931. With a view both to economy and to efficiency?—With a view both to economy and to efficiency.

1932. In what condition was the expedition when you were ordered to proceed from Bombay to superintend at Annesley Bay?—I left Bombay on the 15th of December, and went up in the steamer "England," containing the first European regiment which was sent to Abyssinia, towing two other vessels. The "England" was one of the

the transports sent from India. I arrived at Bombay before the arrival of any of the English transports.

1933. And you did not leave there until after they had all arrived except the "Bosphorus," did you?—I did not leave until they had all arrived. The "Bosphorus" was lost on the voyage out.

1934. Did they arrive efficient?—They were efficient. The only thing which had to be done was in the case of the "City of Dublin," the ship which was cut down at Liverpool before she started; there was a little defect in the neighbourhood of the hawse-pipe.

1935. Did you proceed with the first detachment of the army after the pioneer force?—No; there was an expeditionary force after that. A few men went first to decide on the nature of the landing-place, then an expeditionary force, and then the first brigade. I went with the first brigade that left Bombay.

1936. What arrangements did you make on your arrival at Aden and at Annesley Bay?—At Aden, which I visited on my way out, I ascertained all circumstances connected with the port and with coaling. On my arrival at Aden, I was put into communication with Sir Charles Staveley, who had just come there, and I took upon myself the general duties of the Transport Department in all its branches. I also went particularly into all matters connected with the water supply, for which there was a great demand; and, in fact, into all matters in relation to the connection between the ships and the shore.

1937. Will you state to the Committee what was the condition of the harbour of Annesley Bay when you arrived there, and what conveniences for the expedition existed there?—There perhaps never was a port which was more inconvenient, in some respects, for landing stores or provisions. The beach was exceedingly shallow; part of the shore in proximity to the landing place was liable to be flooded both by the torrents which poured down from the high lands and by the sea, when the tides were high and when the wind was on shore; therefore the stores, when landed, had to be moved a considerable distance from the beach, to be put in positions of safety from the weather. A pier was in course of construction, the stones to construct it had to be carried, some from Dissee Island, and some from the opposite shore. One was about seven miles and the other about four miles off, and the pier was made entirely of this material. It was carried out eventually 300 yards into the sea, and then it was not fully available at low water. When I arrived at Annesley Bay, in the first instance, all the stores which were put into large lighters had to be emptied into smaller boats, and then were carried on men's shoulders to the shore, they wading for a distance of about 200 yards. From the beach it had to be carried a considerable distance inland, to positions of safety, several hundred yards inland.

1938. Can you state what amount of tonnage was probably conveyed in that way?—I cannot; the tonnage would be of very little use in the estimate, as regards the landing of stores; we could tell you the number of bales of goods a day; but the actual landing was liable to be impeded by the railway materials, or by the elephants blocking the road on the pier. You could not estimate it by tonnage.

1939. What were the arrangements which you had to make with regard to supplying transports with water?—Entirely by condensing.

1940. In all the ships of the expedition?—All the ships of the expedition. When they required water at Annesley Bay they had to be supplied by steamers condensing, except that we had two cargoes of water from Suez, a distance of over 900 miles.

1941. After the expedition had arrived there in working order, what was the amount of fresh water per day which you had to furnish?—I think that the maximum of water landed was about 240 tons per day. The total amount of water landed supplied by transports and condensing steamers was 29,068 tons; then there was 10,850 tons from other resources, giving a total of 39,918 tons of water landed for the purposes of the army in Abyssinia.

1942. Had that to be distilled in addition to the distilled water for the purposes of the ships?—Yes.

1943. Incidentally, can you state what amount of fuel was used for that purpose?—The coal expenditure for condensing water for the supply of the army by condensing vessels, and by transports, specially told off for condensing, was 8,020 tons.

1944. After the expedition had arrived there, did you take any steps to reduce the expenditure by a discharge of the transports?—There was no means of discharging transports; the transports were always fully employed; whenever I had not full employment and use for a transport, if possible, she was sent to Bombay; but it was not possible from circumstances which arose during the expedition to discharge any number.

1945. Will you state the nature of those circumstances to which you refer?—Shortly after my arrival in Annesley Bay, the number of animals which had been originally sent to Zoulla were very much diminished by disease; and after Sir Robert Napier arrived in Annesley Bay it was decided to send tonnage immediately, to procure all the animals that could be got in the neighbourhood; this was an entirely unforseen event, and as nearly as I can estimate it, I should say that at least 55,000 tons was employed in sending for those additional animals.

1946. And that was not anticipated originally, was it?—It was not anticipated originally; I had no idea that it would be required until I arrived, to one port alone, Berbera, 33,636 tons were sent to bring camels, donkeys, and bullocks.

1947. What is the distance of that port from Annesley Bay?—It must not be measured by distance; the extreme difficulty was the adverse wind; the wind was of such a nature, with an adverse current, that only the most powerful steamers could tow a vessel out of the Red Sea, and on several occasions they failed.

1948. What was the distance which those ships had to be towed?—I cannot quite rememember, but, approximately, 380 miles.

1949. Every sailing ship which left Annesley Bay for this purpose had to be towed this distance against the strong monsoon wind, had it not?—Yes; we had hardly an instance of a vessel getting out of the Red Sea except when towed till April 1868. I may, perhaps, mention that the fact of sending this great tonnage to Suez and to Berbera for additional animals probably created a delay in the Red Sea of nearly one-fourth of the whole of the tonnage engaged in the Abyssinian War. The whole of that

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tonnage would have been returned to Bombay, and would have saved the chartering of additional vessels by making a double trip, and also the delay of vessels in Annesley Bay. The limit of clearing a vessel in Annesley Bay was limited to the power we had of clearing the piers and storing the goods; and, if we had been able to bestow the additional labour which was required in preparing those ships to go for the additional animals, as well as that employed in clearing them when they came back with animals, it would have released a still larger number of ships than the amount that I have already mentioned.

1950. Was the climate one in which it was easy to exert the utmost amount of labour day and night?—The climate, I believe, is the hottest in the world; but I believe it to be impossible to get more work out of a labourer than by the means that we adopted. I believe that the amount of work done by the labourers whom we had at our disposal was very large indeed, and very satisfactory in its results.

1951. Was there much sickness and debility among the crews and persons employed, in consequence of exposure?—There was a great deal of debility, and a good many deaths took place, but there was no epidemic during the whole stay. I think that, on one occasion (I think it was on Good Friday), 11 men fell down on the Commissariat Pier on one morning from sunstroke. I think that there were eight captains of ships who died of sunstroke and some of the crews. The climate on the plain was exceedingly hot; and the return, which can be made, of the number of Europeans who returned to England as compared with the number who came from India, will show the amount of invaliding, in consequence of the extent to which people suffered there.

1952. Ships had to be sent out occasionally to recruit, had they not?—Yes; this return which the honourable Baronet handed in is a statistical return drawn up, illustrating the work, though it does not pretend to be precisely accurate.

1953. The Committee have heard, and I suppose that you have seen various statements with reference to the extraordinary expenditure due to the management of the Transport Department in Annesley Bay; and, as an illustration of it, some questions have been asked with regard to a ship called the "Peruvian." Will you state to the Committee how it is that the "Peruvian" appears to have been so expensive?—I had nothing to do with the chartering of the "Peruvian," but I alone am responsible for the discharge of the "Peruvian" at Bombay, and by my so doing, I think I can show I effected some saving to the Government, On my return to Bombay from Zoulla, at the termination of the expedition, on the 6th of July, I found at Bombay the "Peruvian" with a small amount of cargo on board still awaiting to have the cargo discharged. I went into her case to see whether it was advisable to discharge her or not. I personally made inquiries with reference to docking her, knowing that it would be useless to send her to England, with any expectation of her making a reasonable voyage without being docked. Owing to the rapidity with which the bottoms of vessels that sail in those seas foul, the Peninsular and Oriental Company find it necessary to dock all their vessels every third voyage. The "Mauritius" was sent to Suez with invalids, and others; we thought she had an ample supply of coals. She was 13 days on her passage, and she ought to have been five and a-half or six days, and this was entirely due to the foulness of her bottom. With this experience I saw it would be most unwise to send a vessel to sea in the state the "Peruvian" was in without first docking her, particularly on so long a voyage, and I could not get a dock for the "Peruvian," to have her put to rights without a considerable delay; and in confirmation of this, I may say that the "Queen of the South," whose arrival was already expected at the Mauritius, and which we were very anxious should be dispatched at once from Bombay, could not be got out of the harbour under 13 or 14 days, from our not being able to dock her. I considered, and I found that I could get no dock for the "Peruvian" within a reasonable date, and as her hire was about 5,600 *l.* a month, I considered that the small saving to the Government, which would be effected by sending her to England, would be more than outweighed by the cost of her detention at Bombay; and I urged, therefore, strongly, her immediate discharge. This view was still further confirmed by my discovering after this decision, that it was probable that she would be required for the Overland Troop Service, and therefore I acted in concert with the Bombay Government, as it was convenient to them that she should be discharged in that port, if possible.

1954. With reference to the question of procuring additional mules, you have mentioned the ports of Berbera and Suez; to what other ports had you to send transports to collect animals for the supply of the expedition after the first failure when the first mules landed?—We had steamers running to Aden to meet vessels which brought them under sail from ports in India and the Persian Gulf, and we had steamers and sailing vessels to Hodeida, and we had also vessels to Suakin, besides a large amount of tonnage to Suez; we had hardly anything, I think, from Mocha.

1955. Had you any communication with General Lord Napier on the subject of transports during the expedition?—I was requested when he was at Zoulla, and before he went up the country in January 1868, to give him, as it were, privately my views with reference to the Transport Service; it was merely to be a note for him to refer to when drawing up such instructions as might afterwards be framed by him, as soon as he saw how the expedition was going on; this afterwards came before me in an official form, and I have it now in my hand with his own remarks upon it. It is headed "Memorandum of Suggestions with reference to the Transport Service of the Abyssinian Expedition, by Captain Tryon, R.N., Principal Transport Officer. To discharge sailing vessels; first dismissing store ships, then bullock, mule and horse ships. We cannot expect to get rid of many vessels before the latter end of February, owing to the strength of wind in the Red Sea; the number of vessels to be retained must depend on the time the army remains in this country." To this suggestion Sir Robert made this remark, "We must assume that it remains till the next autumn," that is the expedition. I next suggest that "It is proposed to rely on re-embarking the force in steamers; if required they must make more than one trip." Sir Robert remarks, "Two English regiments when they go, go to England. In what number of vessels could the army be returned to India, in say, three trips?" My reply to that which is sought for is: "The steamers engaged in this expedition would carry 16,989 troops in one trip, but

but would only carry staff horses at the same time; the remainder of the question depends entirely on the number of animals to be transported, and with this I am not acquainted." My next remark is, "It is necessary to anticipate the time when everything from Bombay must be carried in steamers." Sir Robert remarks, "In the south-west most sailing ships would be available for return to Bombay." My next remark is, "Traffic with Suez must always be carried on with the assistance of steamers." Sir Robert remarks, "Admitted and to be provided for." My next remark is, "At present, I am not sufficiently acquainted with possible events to lay down any more than the above general suggestions. It is to be observed, that any time before the end of February, it will be easy, if necessary, to detain a very large portion of the shipping which, if circumstances do not alter, it is now proposed to discharge." Sir Robert remarks, "Some sailing ships would be useful for transport of pack animals and camels. What can be got should be brought as soon as possible, and, if possible, simultaneously. Consider that we must be able to bring up considerable supplies of forage and transport of animals during the whole time of our stay." My next suggestion is, "I am informed that the probable requirement of the army is about 4,700 tons for a fortnight. If this is the case, it will require 22 to 24 first-class steamers to be put on one side for this purpose. These steamers will be available to re-embark the force." Sir Robert remarks, "This should be authoritatively pronounced, or exhibited data by Comptroller." I then remark, "The traffic from Europe *viâ* Suez has to be considered. Sir Robert orders weekly steamers both ways." I say, "Small weekly steamers could be run to Suez carrying all English mails, and they would facilitate the market supply. This would require four steamers, and one besides, to be held in reserve." Sir Robert orders at least three steamers to be kept in reserve for emergencies. I may mention that that was never done; it was never possible.

1956. You never had enough to fulfil the requirements of the Commander in Chief for reserve steamers, had you?—We never had that quantity of reserve steamers.

1957. Have you now explained to the Committee what you consider to be the unforeseen expenses which were incurred over and above the vote of credit which was anticipated to be necessary for the Expedition?—I think, myself, that nobody could anticipate the death of so many mules, or the necessity of having to send for so many more animals, or the necessity of retaining nearly one-fourth of the whole of the tonnage in pay, over and above the time which was originally and might fairly have been estimated for, and I think that that was the great expense. I may mention then, much more water had to be made than was originally anticipated.

1958. Was it anticipated that the country itself would produce so little forage, and other supplies, for the maintenance of the army?—No. I may mention as a fact, that it was stated on good authority, that at a certain season the whole of the plain at Zoulla would be up to our knees with long luxuriant grass.

1959. Did you find it so?—We never saw any grass; it was a dry plain the whole of the time. I may mention, that on that plain, at a certain season, the elephants and all the animals of the neighbourhood came down into the neighbourhood of Zoulla, apparently anticipating an ordinary season, but there was no grass when we were there; there were a few blades, and no more. Again, the River Haddas, where we camped for the sake of water, was no river at all; the banks of the river were in places 12 feet deep, showing that sometimes a very strong stream came down, but we had no water there.

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1960. It is your impression that the expenses incurred in England and in India, connected with the transport service, were absolutely necessary?—I think I can show that every resource which was placed at our disposal at Annesley Bay was fully necessary and abolutely required.

1961. And without them the Expedition could not have succeeded?—I consider that our resources were almost worked out when it terminated, in some respects, and that the success of the Expedition would have been jeopardised if we had not been equally well provided.

1962. Could you give the Committee a detailed statement, showing the work done by the Sea Transport Service from the commencement of the campaign to its termination?—It appeared to be necessary that the authorities at Bombay should dispatch a vast amount of tonnage at once on the Expedition, both to provide for the present wants of the army, as well as to form a depôt for the very considerable amount of stores which it was intended to place on the high land of Abyssinia before the army advanced. Again, it was also necessary to provide for the season of the south-west monsoon, which breaks at Bombay early in June, but sailing vessels cannot leave Bombay after about the 16th of March, and make a good passage. During the south-west monsoon no stores could be sent from Bombay except by good steamers. It was also necessary to provide for the rainy season in Abyssinia, during which time the land transport on shore was liable to interruption, owing to the passes being stopped, a circumstance which actually occurred. This arrangement necessitated the throwing into Annesley Bay of a vast amount of tonnage, not only from Bombay, but from different ports in India all at once, including Calcutta, Kurrachee, Beypore, Madras, Suez, the Persian Gulf, and Aden, and minor ports, which contributed smaller quantities. It arrived in Annesley Bay much more rapidly than we were able to clear the vessels, owing to the nature of the resources at our disposal, and of the beach. Vessels, however, were cleared and re-dispatched as rapidly as possible, and had it not been for the amount of tonnage which was diverted, as I have already mentioned, much more tonnage would have been returned to Bombay. Again, it was always necessary to keep at least four steamers at Annesley Bay, condensing; and it is almost impossible to say, if this had not been the case, what they would have saved, for every time they went out of the Red Sea they would have towed a vessel with them; that was one of our great difficulties. Besides, they would have saved, probably, five times their amount of tonnage from being taken up at Bombay. If it had been possible to have had a larger amount of labour on the beach, no doubt some saving would have been effected, if we could have worked night and day; but there would have been extreme difficulty in watering any much greater number of men, though I did apply for more labour. I think that carries me on to the termination of the Expedition. Shortly before the fall of Magdala, and when we were in daily expectation of hear-

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ing of that event, we slightly checked the dispatching of vessels. We heard of the fall of Magdala about the 18th of April. We then stopped all vessels at Aden, except those laden with animals, and with fuel and railway material, all of which were still required; certain things were stopped at Suez, and others were permitted to come on as they were required. My first communication, I think, from the front was one which I will read. It is dated the Camp Magdala, 16th April 1868. "The Commander in Chief hopes to be on the return march on the 18th instant, if all goes well, to be at Zoulla by the 20th of May; but this will depend upon his having sufficient carriage, and no obstruction existing on the road. The country between the Tacazze and Antalo had become troublesome, owing to refusal of supplies, and petty attacks on our parties. The necessity of collecting the forces to the front rendered it necessary to leave the chain of posts in rear very weak, and the belief in Theodore's prestige led to the presumption, that the British troops were in difficulties. Now, when it is known that Theodore no longer exists, and that his army has been defeated, they may be less troublesome; but Sir R. Napier cannot dismiss the contingencies that may arise in such a country, to delay the troops. If all goes well, the Commander in Chief ought to be at Zoulla by the 25th May, if Commodore Heath and Captain Tryon are ready to take the troops on board at once. It is clear now that every transport, steam, or sailing, that can be given will be wanted, so that none should be discharged that can carry troops or horses up to our wants. Sir R. Napier will move down, pushing on those nearest to the coast. The European troops will, of course, be the first to go, and probably those for England, the 3rd Dragoon Guards, 4th and 33rd Regiments, the Batteries of Artillery, A and B, &c., and a good many miscellaneous staff, &c. The sailing transports will convey the native troops and followers rapidly when the monsoon commences. Stores, plant, and horses, and such mules as are worth transporting to India, will be taken away. Those that are not may be sold or given in presents to those who have assisted the troops. All establishments and individuals not required should be got off as soon as possible. Camels cannot well be taken away; they might be sent away to Massowa, and left under the charge of the Egyptian authorities. The Consul General might be consulted as to the use of sending any to Egypt. The contractor who bought them may see his way to making something out of them. It would not pay us to keep troops or ships that would cost more than they are worth to take cattle away; but as the troops are now 400 miles from Zoulla, and contingencies may arrive, it would not be safe to cut off our transports till quite sure we shall not want it; after Addigerat the Commander in Chief will consider we are safe from delay if the return is effected early." The Committee will not fail to observe that there is no certainty with reference to the return or re-embarkation of the force in this letter. I may mention that it was not possible, owing to this order, to discharge any amount of the full store ships which were left at Annesley Bay. On the contrary, up to a very late period, it was necessary to keep on dispatching stores to the front, and we were still landing stores for the supply of the posts to provide for the returning army. The day that the army was known to be safe we began dispatching six hay ships, and then ten, and so on, as fast we knew we could spare them; but it was not possible to do so until we knew that the army was safe.

1963. Did you re-embark any hay?—No hay was re-embarked, except perhaps a few bales for sea stock. The question was brought before me, and I declined tonnage for it without an order. It was estimated for, and was not provided.

1964. With reference to the coaling of the transports, and the arrangements for coal at Aden, were those arrangements satisfactory, both for the requirements of the supply of water and for the Transport Service?—I consider that the arrangement for the supply of coal at Aden was very good, and, indeed, the only one which could be made in the time. The coaling at Aden was very well done, and was rapid. There was once or twice a complaint about the labourers, and there was some difficulty about them; but owing to the plant which was already there, and used in coaling the mail steamers, all of which plant, including wharfage belonging to the Peninsular and Oriental Company, there was certainty in the delivery of coal. I may observe that it was only possible to coal ships at Aden inside the harbour, which would only hold a certain number of ships. The natives positively refused to coal the ships outside the harbour. The same means were employed to work coal belonging to Government as that belonging to the Peninsular and Oriental Company.

1965. Would there have been any economy if arrangements had been made for sending coal ships to Annesley Bay in considerable numbers, and using them for the purpose of coaling the Expedition, in preference to drawing your coal from Aden as your base?—We received a considerable amount of coal at Annesley Bay, and it was always a very great source of anxiety. We were obliged to have it there for the ordinary consumption of the harbour, for condensing vessels, for the tugs, and so on, and for filling up the vessels which went to Berbera and about the Red Sea, and so on. But it was very difficult to discharge coal afloat, and no process could be more expensive or cause more delay.

1966. How did you store it there?—We could not store it. It was discharged afloat; there was no storage.

1967. Then, were the colliers kept on demurrage as storeships until they were discharged?—They were, if not discharged in time.

1968. You returned to Bombay on the 6th of July, did you not?—I returned to Bombay on the 6th of July.

1969. Will you state to the Committee the causes which operated to prevent the rapid discharge of the transports and entailed, as it may seem, considerable additional expense upon the Expedition?—At Bombay, though I was not personally responsible for them, I was in communication with the marine authorities and also the Governor, who often spoke to me on matters connected with it, and I freely spoke of what I saw and thought. There was a great amount of tonnage thrown into Bombay, and the value of the articles was very much depreciated in the market, and the cargoes could not be sold: there was great difficulty in finding a market for them. I believe that the utmost effort in the hire of lighterage for landing was made; I visited all the wharves, and the wharfage was very indifferent.

I think

I think there is only one place at Bombay where stores can be landed at every period of the tide. Again, the south-western monsoon was blowing, and there were several days in which there was little or no communication with the shipping; the lighterage which was hired was in the hands of Parsees who landed, I was informed, at so much a ton, and it was apparent at once that the cost on account of detention of vessels on pay while discharging at Bombay would be an enormous sum whilst they were waiting for their discharge; I made various suggestions with reference to anything which I saw which I thought was capable of improvement, and I think that nearly all of them were adopted.

1970. *Chairman.*] You spoke of demurrage at Bombay; I suppose all those transports were on time-hire?—They were on time-charter.

1971. Then it would not be demurrage, but it would be a continuation of their hire, would it not?—Yes; demurrage is perhaps not a correct term.

1972. Sir *John Hay.*] Was there much of the supplies of the army re-embarked in Abyssinia to bring to Bombay, or was this great glut in the Bombay market caused by the stores which had been carried over there in anticipation of the continuation of the Expedition, which, being water-borne at the time, was returned whence it came?—A considerable amount of stores was embarked at Annesley Bay, but only after survey by Boards which were appointed. Some of these things are beyond my knowledge; for instance, with reference to stores, I know that the General gave orders that nothing should be embarked that was not of sufficient value to be worth taking to India; and a very considerable amount of store was left behind.

1973. Who was the military officer in charge?—General Russell at the Bay.

1974. Is General Russell in this country now?—He is in this country now.

1975. Could the Committee obtain information on this point from him?—It could be obtained from him.

1976. When did you leave Bombay for England?—I left Bombay for England on the 4th of August.

1977. Can you state to the Committee generally how soon after that the hire for transports and the charges for the Expedition connected with your department came to an end?—The charges, I think, for the transports did not terminate till September, but the returns which Admiral Mends has furnished will give all that detail.

1978. Does it come within your knowledge that in the large fleet of transports which were under your control any of the captains lingered on the voyage with a view of continuing the charges for a longer period than it would have been just and due to the public to have hired them?—No; I consider that there never was an expedition in which the captains of the transports endeavoured to do their duty better; I have here, in two or three books, a register which will give the history of every transport, and show the passages from every port. We had agents at Suez who informed me by each mail of all arrivals and departures; I sent an officer to Aden, who sent me weekly a boarding book, and also at Bombay. The Bombay authorities sent to me at Annesley Bay their arrivals and departures, I also sending them to Bombay from Annesley Bay, so that it was almost impossible for any neglect of duty which was punishable to escape notice.

1979. As a matter of fact, had you to inflict penalties upon any vessels?—Penalties occasionally were inflicted from vessels not being fit for sea, but not for delay on the passage.

1980. In that particular do you think that the public was well served?—I think that the public was well served. There was a delay at starting, and a difficulty in getting sailing vessels, without steamers to escort them, to leave Aden, until I sent notices that vessels were to be put off pay unless they left at once. The delay on their part was due to the fact of their having a dread of the Red Sea and its navigation. That was before the lights were quite finished, and before the Red Sea was as well known as it became latterly.

1981. At the commencement of the Expedition the portion of the Red Sea to which you were called upon to direct your attention was not surveyed and well known, was it?—It is surveyed, but is a few miles out in longitude. Several ships got on shore, and their captains were tried by a court of inquiry, a process which was afterwards checked. The coast is not thoroughly known.

1982. At the time when you left England it was not even known at what harbour you were about to direct the army, was it?—No, it was not known until after the report of the pioneer force, who, I understood, selected the spot at which we were to land.

1983. Mr. *Seely.*] Who engaged the transports at Bombay?—The Government of Bombay.

1984. Do you know the particular officer?—It was the Superintendent of Marine who received the tenders. To the best of my knowledge he advised the Government to accept tenders, but he did not positively accept excepting in anticipation of sanction or with sanction.

1985. *Chairman.*] Had he any assistants?—He had.

1986. What were his powers?—He had the power of recommending but nothing more. The responsibilities were entirely with the Commodore.

1987. Mr. *Seely.*] The Superintendent of Marine engaged the vessels, did he not?—Yes; but I am not aware that he did it without sanction.

1988. Did the Superintendent of Marine determine upon the fitness of a vessel for the purpose for which it was intended?—No; a Board of Survey did that.

1989. Did not the Quartermaster General report upon the vessels as to whether they were fit for the service or not?—The process was very similar to what it is in England; a vessel before being accepted is passed by a board of officers, the Assistant Quartermaster General being one of them, and they report on its fitness for service or not. Vessels for stores, I think, were taken up without the visit of the Quartermaster General.

1990. Then there would be one authority who would contract for a vessel and determine the price, and another authority would determine the fitness of the vessel for the purpose for which she was wanted; would that be so?—Yes, some vessels have no decks laid; they may be admirably adapted for stores, and on the preliminary visit to the ship she would be taken up for stores, but the officer surveying the ships for animals would not be called upon to go on board that ship.

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1991. Do you know how the vessels were engaged at Calcutta?—No, not of my own knowledge.

1992. Do you know whether the vessels at Bombay were engaged by public tender, in the same way as they were in England?—Very similarly; advertisements were put in the papers inviting tenders.

1993. Can you speak as to the number of vessels tendered?—No.

1994. Who can give us that information?—It must come from the Bombay Government; from the Superintendent of Marine's Office, if it can be got. I believe that every suitable ship that was tendered was accepted at one time.

1995. I think you state that on your arrival at Annesley Bay the stores had to be carried from the ships some little distance?—The stores had to be put from the ships into lighters, and from the lighters into small boats, and then they were carried to the shore.

1996. At what date did you arrive in Annesley Bay?—The 27th of December; there was but one pier partially made then, and it was so much required for the landing of animals and men, and so on, that the mass of commissariat stores could not be landed by it.

1997. And then, subsequently, improvements were made, and you got your stores landed with much greater rapidity, did you not?—Yes, a second pier was made of piles, and the stores were then landed with much greater rapidity.

1998. Can you explain to the Committee how it was that these arrangements for landing stores were not made sooner?—I do not think it was possible to have made arrangements sooner; the date of the arrival of the pioneer force, who decided upon the spot upon which the army was to land, will show, I think, that there was no delay in the making of the pier; it was one of the very first things that was commenced; all the lighters that could possibly be collected from the neighbourhood, and everywhere, were assembled for the purpose of assisting in the construction of that pier.

1999. Were the stores sent at the same time as the troops were sent?—I may mention that the whole plan of the first portion of the campaign was probably disarranged by the fact of want of transport on shore. To that almost everything may be traced. When I personally left Bombay with a European regiment, I was informed that in all probability the day after that regiment arrived it would be taken up to the heights, and no Europeans were to be allowed to remain on the plain at all. When I arrived there I found there was no carriage of any sort or description for them, and instead of a depôt being already formed on the heights, I found that it was barely begun. There was a want of carriage. When Sir Robert Napier himself arrived, things were improving, but they were still in a similar state. Those arrangements, which ought to have been made before the mass of the troops arrived, were not terminated at Annesley Bay by the time they did arrive. The distance between Bombay and Zoulla being so considerable, and the time for the campaign being so limited, the troops and things had to move in anticipation of work that was thought would be completed by the time they arrived.

2000. That is to say, that a sufficient quantity of stores had not been landed previously to the arrival of the troops?—They had not been placed on the heights.

2001. They had not been landed, had they?—There was no such difficulty in landing stores; it was easy to pitchfork the stores out of the ships on to the beach, but the difficulty was storage, and conveying them to the land; it was the land carriage that caused the difficulty. I may mention that two regiments that ought to have left the ship the day after their arrival remained, I think, over a fortnight on board, using the ship as a barrack.

2002. Is it not the fact that the stores, in consequence of the difficulty of landing them and conveying them to the heights, were pretty nearly consumed almost as fast as they were landed?—No. There was never any difficulty in throwing on the shore any amount of tonnage.

2003. Not even on men's backs?—There was a difficulty, but if you had 100 ships present, if I may be allowed to illustrate it, and you ordered each ship to land 10 tons, that would be 1,000 tons landed on a particular day, which was a great deal more than could be required. It was a question of taking away, and of taking charge.

2004. Was there any means of putting those stores into proper places?—There were large storehouses sent, but I cannot say that they were amply capacious; they were very large, and they were erected in the course of time.

2005. But were they erected soon enough for the object?—They were erected as soon as possible.

2006. But were they erected as soon as would have been desirable?—I think that within the time the utmost was done to provide storehouses, short of finding storehouses ready built upon the spot.

2007. Sir *John Hay*.] You mean that it would have been better to have found storehouses ready?—It would have been better to have found storehouses ready made.

2008. Mr. *Seely*.] Can you speak as to the number of mules that did die within two or three weeks after their arrival at Annesley Bay?—No, I have no knowledge of that.

2009. Can you speak as to the cause of the great mortality among the mules?—I can only speak from either hearsay, or from the little one saw on the beach; I believe the cause in the first instance was disease.

2010. Was there plenty of water?—The water was always a source of difficulty, though you might have plenty of water to give; until troughs were made and proper arrangements of that sort were made, there was a great difficulty in giving the water. We had to make tanks and long troughs; that was an arrangement resting with Sir Charles Staveley. There was no limit to the water given to the animals drinking; they were allowed to drink their fill; but care had to be taken that too many animals were not kept at Zoulla.

2011. *Chairman*.] It would be your duty to see everything landed and properly taken in charge by somebody, would it not?—Certainly.

2012. When the mules were landed what became of them?—They were taken charge of by the Land Transport immediately.

2013. When were they taken charge of?—They were taken charge of as they walked out of the boats, and latterly before. We had very large lighters that held a large number of mules, and they were hoisted out of the ship. The usual thing was for an officer of the Land Transport to visit the ship to see that they had proper head stalls and things of that sort.

2014. Had they proper head stalls and things of

of that sort?—As a rule, they had. There were complaints, and if there was anything wrong I always got a letter, and it was remedied. There was a case of a lighter landing without sufficient head stalls, and there was a letter at the early portion of the Expedition written to Suez about the supply of head stalls being short.

2015. But, as a rule, had the mules head stalls?—Certainly.

2016. Had the mules, when they landed, persons to attend to them in sufficient numbers?—Yes; I consider it was very well done, and there was very little loss.

2017. We have it in evidence, that the mules arrived at a certain date, and that the drivers came some days, if not weeks, afterwards; was that so?—I think you may be speaking of a period when I was not at Annesley Bay; the arrival of the first cargo or two; but I know from a letter of Major Warden that he considered he had enough to take charge of animals landing.

2018. Then you were not there when the first cargo came?—Not the first mules. A few mules came before anything was fully organised. I am speaking of the mass of animals.

2019. Captain *Beaumont.*] As to the circumstances under which the railway was started; first, with respect to the necessity of the railway, and, next, with respect to the length of time that elapsed before the railway was completed; do you consider that the circumstances were such as to make the railway of importance?—I think it was as nearly necessary as anything that was taken in the Expedition, and very valuable.

2020. Considering that it was of the first importance (as I believe it was), could not the railway have been made more quickly than it was?—That is a question for the commanding engineer. I had nothing to do with its construction; the General decided when one department required more urgent attention than another.

2021. Did you hear that there was any deficiency of plant?—Yes, I had frequent letters with reference to the landing of the railway; I believe there was no actual deficiency of plant, but the way in which the railway was shipped on board must have led to some difficulty on landing; there was a mixture of rails; the plant had to be collected from different portions of India; one ship-load came in, and they were short of augers, but the augurs were all on their way, though they did not arrive on the same day as the rest. There was delay in details of that kind, but I am not aware of any deficiency occurring in the whole amount shipped; it had to be collected from the different ports in India; a good deal from Kurrachee.

2022. In fact the difficulty arose from the plant not being of the same pattern, but you have heard that that arose again from the plant being supplied from different parts of India?—I understood so; I may mention that there is great difficulty in landing railway material rapidly under circumstances of this sort.

2023. On account of its weight?—Not only on account of its weight, but everything is stowed very inconveniently; the carriages are above what you want first.

2024. Would not a proper amount of foresight in the stowing at the port of embarkation have prevented that difficulty?—No, because you are obliged to put the rails near the bottom for the sake of the ship; a great deal more tonnage than was available would have been required in order to have stowed it so as to be convenient.

2025. Do you think then that no complaint can reasonably be made of the way in which the railway plant came to your hands?—No, taking into consideration the rapidity with which it was sent and collected.

2026. Sir *James Elphinstone.*] What was the total time that you were in the country; how long did the campaign last altogether?—I arrived at Aden on the 24th of December, and I left Bombay on the 4th of August; from December the 27th to June the 20th I was in Abyssinia.

2027. So that the whole of this campaign, and the railway, the pier and everything else, was completely carried out, and abandoned within about six months, was it not?—Yes; the two piers were about 300 yards in length.

2028. What was the length of the railway?—I do not quite know, but I think there were about 17 miles laid, and the length from Komali to Zoulla was about 12 miles.

2029. The whole of these works were begun, continued, and ended in six months, were they not?—Yes.

2030. Did you keep a register of the thermometer in Annesley Bay?—Yes, I did; but I had rather it should not be accepted by the Committee, because there is a better return than mine. I took out four instruments, but they were unfortunately all broken, and the ship's instruments were not accurate. I had it registered four times a day, but the military medical department kept it.

2031. Can you obtain that information?—I should think so certainly. I think Dr. Kelly told me that Dr. Nicholson was taking the official return home with him, but he died on his way, and I do not know what became of his return.

2032. Will the Committee be able to get the daily temperature under which the troops and people worked at Annesley Bay?—Yes.

2033. And also the sick lists?—You will not get the sick lists from the Transport Department.

2034. Who kept them?—Each individual ship kept her own as regards the shipping.

2035. Is there no return of the number of sick upon any given day, upon the total force below the Ghauts?—As to everything connected with those actually in Government employ, the sick lists can be furnished, but as to those in the transport service there would be a difficulty.

2036. Throughout the southern part of the Red Sea the southerly monsoon predominates during about two-thirds of the year, does it not, commencing in October and November, and ending in May and June?—During nearly the whole time of the Expedition we had a foul wind, in whichever direction we wanted to send the ship. The wind prevails from the north down the Red Sea to within 100 miles of the Dahalac group; and within 50 miles of it the wind prevails from the south in an opposite direction, and at no period could we rely upon getting the vessel out of Annesley Bay without towing her. We were in the zone of calm, between the northerly and southerly winds.

2037. Is it not the normal state of the Red Sea, that for nine months it blows up the sea as far as Hodeida, and down the sea as far as Djedda, with a belt of calm in the centre?—Yes, and that is Annesley Bay.

2038. The consequence is, that it is a passage of some 40 days from the southern end of the

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Red Sea for a fast sailing ship, is it not?—Yes; the passage is a very long one.

2039. And it may take a steamer, on account of the strong northerly winds, unless she is a first class steamer, 10 or 15 days to get to Suez, may it not?—We used to average our steamers six or seven days from Annesley Bay to Suez.

2040. Were they first class steamers?—No; however, the "Mauritius," a powerful steamer, was 13 days, chiefly from the foulness of the bottom, and from adverse winds.

2041. What was the nature of the foulness; was it coraline or vegetable?—Coraline.

2042. And, I suppose, it increased very rapidly?—Very rapidly indeed.

2043. What was the depth of the incrustations on those ships' bottoms?—I have seen lumps four or five inches deep, and like solid rock in the course of a few months.

2044. Therefore, it would have been practically impossible to have got those ships away, supposing that you could have done so for them to have returned to England without going into dock, would it not?—Certainly, in my opinion. An exception to the rule may be made in the case of the "Golden Fleece," one of the hospital ships, which was better adapted than others for the passage home.

2045. What sort of passage did she make?—She was sent to England with invalids; she left Annesley Bay on the 5th of June, and she arrived at Spithead on the 1st of September; she called at the Cape, St. Helena, St. Maria, and Spithead.

2046. How long had she been in the Red Sea?—From the earliest period of the Expedition.

2047. *Chairman.*] Is that 85 days from home?—It is from the 5th of June to the 1st of September.

2048. You call that a very good passage, do you not?—A very good passage; she had abundance of coal, and unlimited power to come home.

2049. Sir *James Elphinstone.*] During those winds, either from the north or from the south, in the Red Sea there is always a lee current, is there not?—Yes; but the current is very apt to be uncertain, and sometimes it is lateral; and on the passage to the northward, after the north wind had blown with violence, a weatherly current was sometimes experienced.

2050. Especially below the Zabeyer Islands?—Below the Zabeyer Islands particularly.

2051. *Chairman.*] Is not that laid down on the charts?—I do not think there is anything so clear; our knowledge, gained from many passages, is better than anything that has been published so far.

2052. Sir *James Elphinstone.*] Then, during the whole of the early part of the year, it was practically impossible for a sailing ship to get out of the Red Sea, was it not?—Up to April, I think, there was hardly an exception; one vessel belonging to the Indian Government, the "Cæsarewitch," got out with the loss of spars and sails, but no vessel, unless she could turn very well, could get out

2053. There is no safe anchorage that ships can hold on to, and they must beat to windward, must they not?—There are several anchorages, which we used latterly, and all vessels left with sailing orders that if they found the wind increase, so that they could not make progress, they were to anchor, and not run the risk of being blown to leeward.

2054. Were those places that you distinguished and utilised for that purpose?—Yes.

2055. With regard to Bombay Harbour, the circumstances of the Expedition, ending at the particular period at which it did, enabled your ships to make a rapid progress to Bombay with the south-west monsoon, did they not?—Yes.

2056. But it induced a large congregation of vessels in Bombay Harbour, did it not?—Yes.

2057. The anchorage ground in Bombay Harbour is very limited, is it not?—It will hold a great number of vessels.

2058. But with relation to the bunders, they are very inconvenient, are they not?—They are very inconvenient.

2059. I think you said that the appliances for landing cargoes were exceedingly limited?—The wharfage is very indifferent indeed, and very limited.

2060. I think you said that there was only one wharf that was available at low water?—At all periods of the tide.

2061. Was that at Mazagon?—It was on the Elphinstone Bunder. It is the new reclamation near Mazagon.

2062. Then, they had to run up the harbour into Mazagon, a considerable distance, to get to this landing-place, did they not?—That was one landing-place; but they used several.

2063. How many ships had you in Bombay Harbour at the time?—I cannot tell you precisely.

2064. The weather was exceedingly boisterous and wet, I suppose?—At times it was very wet. We were very fortunate at the early part of the monsoon, bnt latterly it was bad.

2065. You had a light monsoon at the early period, but it became worse afterwards; was that so?—It became worse afterwards. There were many days in which hardly anything was landed.

2066. And there were many days in which there was very little communication between the ships and the shore; was that so?—It was so. This information can be obtained still more fully from the Commissariat Department at Bombay, who can give you the data for what I have stated.

2067. But you saw that, did you not?—I saw that myself.

2068. Can you explain to the Committee the reason why vessels could not carry out sufficient coal for their own consumption on their passage to India?—I think nearly every ship had to coal on her way out; they had a considerable amount of stores on board, and would have been too tender if they had used up all the coals on board.

2069. *Chairman.*] Did they coal, or were they compelled by orders to coal?—They were compelled by orders to coal.

2070. Sir *John Hay.*] You are aware that the object was that the transport should arrive from England as far as coals were concerned, ready to leave Bombay Harbour at once for Abyssinia, without distressing Bombay by reducing the stock of coals there which was already too small?—The "England," arrived at Bombay with sufficient coal to coal herself, and to go to Annesley Bay and back without coaling at all. The "Queen," I think received a small amount of coal only, because it was better to fill up at Bombay than at Annesley Bay; she had 1,000 tons when she arrived.

2071. Sir *James Elphinstone.*] That 1,000 tons was laid in at Liverpool, was it not?—The "England," coaled at the Cape, and at the Mauritius. Some of the ships are tender without they have a large

large amount of cargo in; and I was informed that the "Queen" made one of the quickest passages there by keeping ashes on board, and wetting them, and using them as ballast, and the "England" did not do so, but had to go to the Mauritius for more coal.

2072. It was the fear of the ships being too tender, that obliged them to keep their coal in, I suppose?—According to my information the "England" had to call at the Mauritius for coal though she delivered 1,000 tons at Bombay; and the reason she did not consume more of her own coal was that she would have been too tender to have come on. In the "Queen," a sister ship, the captain had the wit to put the ashes into the hold and to wet them; and by the extra ballast it gave him of some 90 tons, or something of that sort, she came on to Bombay without going to the Mauritius.

2073. What were the first steps that you took in Annesley Bay as soon as it was known that Magdala was taken?—We wrote to stop all vessels at Aden, except those which were absolutely required, but we still required more animals to enable the army to return. The Comptroller of transports gave directions to Suez, with reference to what was to come down from there, and what was to remain behind, and I wrote very shortly afterwards to ask permission to discharge the storeships, and to send those that were not required back to India for discharge, but it was not possible to spare them till nearly a month after that date. I think the list has been given in previous evidence.

2074. In fact, you could not send away your storeships without sending a steamer in charge of them?—We could send them at that period; but Sir Robert Napier, in the letter I have read, shows that nothing was to be sent away from Annesley Bay until the army was considered safe.

2075. There was a very great mortality among the mules as soon as they were landed, was there not?—Yes.

2076. Was that from the bad water and the change of food?—The mortality occurred chiefly before my arrival, I believe; but I am not of opinion that the water had anything to do with it.

2077. Was it the change of food, and change of water, and the effects of confinement on board the ships?—The mules, as a rule, on their passage, did not suffer at all until they got into the Bay. Sometimes when they were not ready to receive animals on shore, it was necessary to delay clearing the vessel, but I never allowed, after the hot weather commenced, that to be done without taking out of the vessel one lighter load to thin the mules on board. But directly they arrived in the Bay within a few hours some died, apparently from heat, if this precaution was not taken.

2078. Did it take the form of an epidemic?—No, I believe not. I understood that the epidemic from which the mules suffered at the early part of the campaign was one which was peculiar to the country, and was well known there.

2079. The mules were stowed in the hold of the ships, I suppose?—No, on the main decks of the ships, and differently according to circumstances, but chiefly on the main deck.

2080. How many might there be in a ship?—The numbers varied very much. The "Victoria" and the "Samononde" would carry over 400, and others had much fewer.

2081. How did they disembark the mules?—They were hoisted out into lighters, which were decked with a rail round; no lighters could be more convenient, and they walked on shore on a tramway; you could not do it better in the London Docks; there were really no animals lost on landing, to speak of. The first mules that arrived, arrived before the pier was made, and they had to be put into the water.

2082. The resources of the country turned out on landing to be almost nothing, did they not?—To my knowledge, they were very limited indeed.

2083. Was the number of animals which were congregated for the use of the army at all in excess of the necessities of the force?—I think that that perhaps can best be shown by my stating that it was necessary to send for more animals, even after we knew that the army was on its return, and it also appears from a printed statement which I have here, that though we had retained at Annesley Bay a very considerable amount of tonnage suitably fitted for animals after the inspection of those animals, we had not sufficient animals fit to re-embark to fill the stalls which we had.

2084. Colonel *Barttelot.*] You arrived at Bombay on the 10th of October, did you not?—Yes.

2085. How long after you arrived there did the ships from England arrive?—They arrived upon different dates.

2086. By what date were they all there?—At the end of November they were all there; about the 25th of November, I think.

2087. And, I think, that you inspected them all?—I did, before they left India.

2088. And also after they arrived?—I went on board every transport.

2089. Were they perfectly efficient?—They were perfectly efficient.

2090. Were they, in fact, as good a class of ships as could have been sent from this country?—That, I think, is doubtful; if they had all been equal to the "Queen" and the "England," they would have been; but they were very useful ships.

2091. What class of vessels did you get from Calcutta?—They were very good vessels.

2092. Did you take up any at Bombay also?—Personally, I did not take any up.

2093. Were there any vessels taken up there?—A vast amount of tonnage.

2094. Were all the transports which were necessary taken up before you left Bombay?—No; many more were taken up even at a late period of the Expedition.

2095. How many transports should you suppose had been taken up before you left Bombay in December?—I cannot tell you without going through the Returns; but enough for all the troops and the animals which were then known to be going, and enough for the first amount of stores which were to go. Much of the tonnage which was taken up afterwards, probably was chiefly due to the fact of so little tonnage being returned from Annesley Bay; at least, if more tonnage had been returned from Annesley Bay, less would have been taken up at Bombay.

2096. Do you know at all the rates at which transports were hired in India?—I have the return of every transport.

2097. Were the rates about the usual rates, or were they higher than the usual rates?—To the best of my knowledge they were as reasonable as could be procured; there was no option.

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2098. Taking the circumstances of the hurry and haste of the Expedition into consideration, were they chartered as reasonably as you could have expected?—I think so.

2099. Were they for the most part efficient and proper ships for the purpose?—Among the first ships taken up a few native vessels were indifferent vessels and of a very different class to those that we took up latterly; for instance, one which perhaps did as much work as any when she came before the wind in the south-west monsoon tore out her main chains, and could not reach Bombay at all but had to go to Kurrachee.

2100. But during the time you used her did she do her work?—Yes, she did her work.

2101. What is her name?—The "Mandelay."

2102. Before you left Bombay, in December, were all the preparations made for the Expedition?—Yes, I consider so in every essential particular.

2103. Did you know the number of men who were going?—It was not known then whether another brigade was going or not, and it was not known until many months afterwards; a fourth brigade went a portion of the way latterly, but it never landed at Zoulla.

2104. Did you know roughly the number of followers who would have to be conveyed from Bombay to Annesley Bay?—At that moment I had no exact knowledge.

2105. But who settles the quantity of vessels which were necessary to be taken up for the Expedition?—Having access to the office in Bombay, there were demands made for tonnage by the different departments of the Bombay Government. On its approval tonnage was taken up.

2106. Did all those demands for tonnage go through you?—No, I was not directly responsible at Bombay; I was only responsible for the management of the transports after they left Bombay Harbour; but when at Bombay Harbour I was ordered to confer with the Superintendent of Marine, which I did on all matters connected with the Expedition.

2107. In how many divisions did the army go from Bombay to Annesley Bay, beginning with the pioneer force?—First the pioneer force went, and then the expeditionary force.

2108. Were you with the expeditionary force?—No; it sailed just as I arrived.

2109. Of how many vessels did that consist?—Of 10, I think.

2110. Then was yours the third?—Mine was the third. That was the first brigade from Bombay.

2111. How many vessels went with you?—There were six vessels containing troops, but they did not go in exact divisions or brigades, because there were cavalry brigades, and then there were the Calcutta brigade; so that speaking of them as different detachments does not give quite a correct idea of it to the Committee. The brigade I went with was composed of two native infantry regiments, and one European regiment, and two batteries of artillery, so that it was divided.

2112. But in how many convoys did the army leave Bombay and arrive at Annesley Bay?—There was no actual convoy; when a brigade was ordered to sail they were embarked as convenient, and despatched as soon as possible, each steamer making the best of her way with her tows.

2113. Did they go independently, or did they go under command and sail together?—They did not sail together; it would have been unadvisable to have done so.

2114. They sailed and arrived as they could?—They sailed and arrived as they could, each steamer taking charge of its own sailing vessels when they towed from Bombay.

2115. Then embarking the troops even from Bombay to Annesley Bay was a long and costly business, was it not?—That was much the most economical way of proceeding; it would have been much more expensive to have sent them in large convoys.

2116. When did the last convoy arrive from Bombay?—Quite late in the day; after the fall of Magdala, and the regiments were not landed.

2117. With each of the regiments did a certain number of followers go, or had they been sent on?—They went with their regiment; I think there is a misconception with reference to the term "followers;" it means labourers of every sort; horse keepers, mule drivers, labourers, with reference to the commissariat, and with reference to the railway, and, in fact, every labourer was called a follower; they were not necessarily attached to regiments.

2118. Where were they encamped when they first arrived at Annesley Bay?—There was a camp close to the beach.

2119. Was that a healthy situation or an unhealthy situation?—I think from our experience that it may be termed a healthy situation; we suffered only from heat, and we had no epidemics.

2120. Was there much sickness?—There was a good deal of sickness due to the temperature. If a labouring man got a sore foot or hand, it did not heal. The number of unfit men sent back was very considerable.

2121. Were there many sunstrokes?—A great many.

2122. I suppose that the heat there is tremendous?—I believe it is the hottest place in the world.

2123. Were those men at work during the day?—As to the work, it was conducted by the commissariat. I would rather that they should answer for that labour.

2124. But when did you commence landing stores in the morning?—They used to work at times so late at night that they could not begin to work so very early in the morning; but they always began by daylight, at five or half-past four o'clock. In the middle of the day, I think, they stopped from ten to three or from ten to four; but the Europeans stopped before that. It was not possible to carry out that rule quite through. The work was necessary work, and sometimes they were compelled to work on, even contrary to that regulation.

2125. Do you know, at all, what was the percentage of sickness?—I have no idea.

2126. Where were the hospital ships stationed?—In the coolest part of the Bay, well out from the shore.

2127. How many hospital ships were there?—Four, and a fifth one was prepared.

2128. Were they large ships?—They were large ships.

2129. Were they well fitted up?—Yes.

2130. Did they do their work well?—Yes, very well.

2131. Were they quite suitable for the purpose?—Yes.

2132. You remained at Annesley Bay all the time, I suppose?—I was at Annesley Bay all the time.

2133. You

2133. You have told us how you were unable to get rid of those transports, on account of more mules and more animals being required to bring the army back, did you remain there to the end of the embarkation of the army?—The "Satellite," commanded by the late Captain Edye, C.B., and the ship which I was in, were the two last ships in the Bay; that was on the 20th of June; we waited to see all the labourers paid.

2134. Then you were in the Bay from the 27th of December till the 20th of June, were you not?—I was.

2135. From your experience, and looking back at all that has happened, do you see that you could, by getting rid of any of those transports at any time, or in any other way, have decreased the expense of the transports?—No; I consider that I am in a position to prove that what was entrusted to my charge, was carried out efficiently and economically. If I had to start with the same orders again, I can make no suggestion, as far as my responsibility went, of making any alteration which would have produced a greater amount of economy. There are some things as to which, if I were sent again with all my present knowledge, I should have taken care to go with a larger provision. I should have gone out with a better factory than we had, and perhaps a larger lighterage, and more steam power; in fact, so as to have relieved the manual labour to the greatest possible extent. We did so largely, but at the end of the Expedition, owing to its magnitude, which I think none of us quite realised, our tugs and everything were worked quite to their last legs. Their funnels were burnt through, and in fact we could not have gone on very much longer without lying up and undergoing a lengthened state of repairs, which seems to me to show that there was no waste of money in the plant which we had on hand.

2136. Looking at the number of troops, the number of followers, the number of animals, and the quantity of stores; do you think that you could suggest any way in which it could have been done more economically?—No, I have no suggestion to make; if it had been possible to have worked night and day, and to have doubled the amount of people which we kept at Zoulla, of course the transports would have been cleared more quickly, but there would have been difficulty in watering them, and I believe the mortality would have been much increased.

2137. And more steamers would have been necessary to condense?—Yes.

2138. Do you recollect the number of mules which arrived there?—The number of mules, and ponies which were landed from transports was 17,673.

2139. How many of those returned?—The number embarked for India was 4,126, besides 2,141 horses.

2140. Did all the others die?—No, an immense number were left at Keomale; but before the animals were embarked, they were surveyed by a board to see whether they were in a state which rendered it probable that they would be fit for the passage to Bombay.

2141. Is it a fact that it was necessary to embark a certain number of mules for service in India in the Punjaub, and elsewhere, where mules were scarce?—At the early part of the Expedition I remember pointing out to Sir Robert Napier, that with reference to expense alone, it was not worth while to retain tonnage at Annesley Bay to carry away animals at all; it would have been cheaper to throw everything away; but it was remarked, I think, by him that the Punjaub had lent nearly all its mules for the purposes of this Expedition, with the express understanding that they were to be returned at the termination of the Expedition.

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2142. Then it was by Lord Napier's order that those mules were re-embarked?—Certainly; I have read his order on the subject.

2143. You, of course, like everybody else, considered that the campaign might be of much longer duration that it proved to be?—I think that almost on the same day that our expeditionary force landed at Zoulla, King Theodore took it into his head to march from Djebel Tabor to Magdala; I do not think that anybody knew how long we should be in the country, or how long the Expedition would last, or where we should find Theodore.

2144. Do you think that, looking to all those circumstances, the quantity of stores prepared for the army were not too great?—In my opinion it was not. There were a great many things to consider; there was not only the south-west monsoon, but the depôts on the highlands, as the passes were likely to become impassable from the torrents which pour down them.

2145. And particularly when you found out that the whole country was so deficient in all kinds of provisions?—I believe it is the only expedition ever undertaken on which the expedition had to rely upon everything being sent with them, particularly in the shape of forage, and so on.

2146. When the stores arrived at Bombay they fetched very little money, did they not, the glut upon the market being greater than the demand?—Yes; and I think we all knew this must be the case.

2147. *Chairman.*] Is there anything which you would like to add, which you have not yet given in your evidence?—I have a history of the performances of every vessel, and I think I can almost answer every question with reference to the working of the Transport Department.

2148. You heard me ask Admiral Mends the other day for a return, showing the work done by each transport, and the time which each had been under steam, and the quantity of coals consumed; can such a return be given?—I am not quite clear whether the time under steam, and the coal consumed, can be given without reference to Bombay. The returns are there, and there would be a difficulty in extracting that return now.

2149. You have a complete return of ships chartered at Bombay, have you not?—Yes.

2150. Can you put in that return?—Yes; but it is already furnished by Admiral Mends.

Friday, 23rd July 1869.

MEMBERS PRESENT:

Major Anson.	Sir John Hay.
Colonel Barttelot.	Mr. Holms.
Mr. Baxter.	Mr. Mundella.
Captain Beaumont.	Sir Stafford Northcote.
Mr. Candlish.	Sir Patrick O'Brien.
Mr. C. Denison.	Mr. Seely.
Mr. Eastwick.	Mr. Charles Turner.
Sir James Elphinstone.	

JOHN CANDLISH, Esq., IN THE CHAIR.

Captain GEORGE TRYON, R.N., and Mr. CHARLES TURNER, were called in; and further Examined.

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2151. *Chairman* (to Captain *Tryon*).] You have in your hand a memorandum which you made in Annesley Bay, on 12th July 1868, and you desire to put that before the Committee, do you not?—I do, with the permission of the Committee. It is headed, "Memorandum which may furnish some replies to questions on the Transport Department of the Abyssinian Expedition, Annesley Bay, 12th June 1868. Till we received decisive information that the object for which the Abyssinian Expedition was undertaken was attained, everything was conducted as though the war was to last an indefinite period. The only exception to this was that the arrangements for completing the transports with water, which necessarily would occupy much time and many steamers, was commenced so soon as the force was known to be actually advancing on Magdala. At one time we had no less than nine first class steamers condensing with their main engines into vessels requiring to be supplied with water. It was necessary to collect in Abyssinia as many stores of all descriptions as would provide against the season of the south-west monsoon, when no sailing vessel could make the passage from Bombay to this port. All stores were pushed to the front, and to a distant point, as rapidly as possible; the stations or posts were held by as few men as was consistent with their safety. The labour at Zoolla was continually being drafted to the front to supply wants there, and but very few coolies arrived to take the place of those thus removed, or of the very large number that were returned as unfits to India. Thus, the labour on the beach was far too little for the work to be done. From this, as well as from other causes, a very large number of sailing vessels were detained in Annesley Bay longer than they otherwise would have been. The storehouses were not sufficiently capacious. After a time sailing vessels could not be expected to make a second trip to Annesley Bay before the change of seasons; besides, weekly mails had to be run to Suez and to Bombay. These vessels returned here loaded, and it was decided to clear steamers in preference to all other vessels, and to keep them going. At no time would it have been difficult to have cleared the vessels, but it could only have been done by pitch-forking the stores on to the beach and leaving them there; for there were neither men enough to remove, nor storehouses to receive them. We had several sharp warnings which showed us that exposed stores would certainly perish; the local rain, or rain on the hills, would cover the plain with pools of water and innumerable streams, which would rapidly run off into the sea, but would certainly destroy any stores not placed in safety; again, during spring tides, if the wind was a little stronger than usual, and a point or two more to the eastward, it would carry the sea water far inland over the very low shore, and though barriers were thrown up to check this, they were not always sufficiently high or strong. When Magdala fell, and we became aware that the campaign, as far as the object of it was concerned, was over, it became necessary to arrange for the return of the troops. The position of the main body of the force may be described as being at the extreme end of a long chain of posts, which had a bare sufficiency of men to guard them. It is apparent that with a force so situated but very few troops or followers could be spared to be embarked till the main body had gained, on their return march, a position of security, not only with reference to their supplies, but in case the Sooroo Pass should become so impracticable from the threatening rains as to necessitate their delay on the highlands any considerable time. The return of the force necessitated the landing and sending to the front large quantities of stores to place the different stations in a state of efficiency to receive and victual the troops on their return. Thus, as I have already pointed out, that the labour on the beach was insufficient, there was no cessation to their ordinary work, viz., landing stores and pushing them to the front; and as it was, the number of hours the men were kept to their work was considered excessive, and several remonstrances were made by the medical authorities, and not before it was necessary, for many

were

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were prostrated from the effects of the sun and overwork. It will be apparent, therefore, if the above remarks are accepted, that it was not possible to do much to prepare ships to receive men and animals; nor was it possible to detail ships with any degree of accuracy, as there was the widest divergence of opinion as to the number of 'cooking' or 'non-cooking' men left with the different corps. Great changes had been made in the composition of the force since its arrival in the country, to render it better suited for the work before it; however, the ships were prepared as soon as embarkation returns were received from the front. A considerable number of our best steamers, which were greatly relied on to re-embark the force, were absent either at Bombay or Suez, and these when they arrived were not prepared to embark troops, &c., being loaded; holds and decks being crammed with all descriptions of stores; these had to be removed to sailing vessels, which were prepared and kept in readiness for the purpose. On no occasion were men detained more than one day on board, and this, when it did occur, was the result of some sudden pressure, or of some unavoidable change in arrangement. It must be borne in mind that it was considered necessary to escort sailing vessels with steamers, in the first instance, as far as Cape Furtak, then 60 miles beyond Aden, and always as far as the latter place. It thus was necessary to arrange matters to fit the steamers we had at our command, and to load sailing vessels of proper sizes simultaneously with suitable steamers. Thus, when any change occurred which necessitated the delay of a single vessel, whether the alteration was due to the difficulties of bringing the men down the pass, or from any other cause, it was liable to cause the detention, if of a steamer, of the sailing vessels she was to tow also, or if of a sailing vessel, of the steamer that was to tow her, as we could not afford to start steamers without the vessels to which they were attached. Great care was taken to discover all deficiencies in the equipment of the vessels before they left this port, and I trust that the object was secured by the precautions that were taken. The regiments had part of their baggage with them, and a part was left on board a store ship at Zoolla. The troops came in from Koomaylee in the morning, medical surveys were held, invalids as selected were dispatched to ships for conveyance to England, *viâ* Suez or *viâ* the Cape, or to India if necessary. Horses and animals were inspected and cast on arrival, and spare animals were kept in readiness to ship in their places, and baggage had to be sorted. All this took place on the beach; the troops embarked and sailed the following morning. The baggage from the 'Indian Chief' (the store ship) was sent direct to the respective head-quarter vessels directly the vessels were selected for the different portions of the force, and an officer of each corps was sent on in advance to be responsible for its proper distribution. I believe that, whether we regard the extreme distance of Magdala from the beach, or the narrow pass through which the force had to be brought, a gorge up which the road at one time was so good, a four-in-hand might have been driven, and yet in a few hours afterwards it would be filled with a raging torrent, which, equally suddenly in its turn, subsided, leaving but few traces of the road, but in its place huge projecting boulders washed bare; and up the bed of this dry torrent till the road was temporarily renewed, it was barely possible for foot people to scramble. When one recalls these circumstances, one cannot do otherwise than appreciate the punctuality with which the force arrived at Zoolla, and the foresight which directed the movements. The tonnage that was collected at Zoolla for re-embarking men and animals was ample for all; the animals appeared to have suffered much on the return march, and their number were much reduced in consequence. Our resources for embarking the force were ample; six to nine vessels could be victualled a day without disturbing other arrangements. We had nine large iron lighters, and four tugs, three steam water tanks, and three steam launches, besides a large number of native boats; the iron barges were admirably adapted for the purpose; they held 300 men, or 120 mules, or 60 cavalry men with horses, &c., or eight to 10 elephants. They received a locomotive with ease, had good anchors, chain, and windlass to weigh with, hauling lines, &c. A small housing was put up aft, to protect their crew, and they carried a large cargo safely and well under all circumstances; these lighters had a crew of a Tindal and six men, and their draught of water was small." I have added to that, dated London, July 1869, the following observation: "It may be observed, that there was a great cost and inconvenience experienced in providing water for the camp at Zoolla, and it may fairly be questioned whether a great increase of labouring hands, with sufficient addition to the staff to enable them to be usefully employed in relays to work night and day when necessary, would not have caused the accumulation of so many persons in the hot plain at Zoolla as to have caused serious drawbacks, first, as to supply of water, and, secondly, as to probable increase of mortality."

2152. That was written just before you embarked from Annesley Bay, was it not?—Yes, all but the last paragraph, which is dated in London; it was written on the 12th June 1868, and I left on the 20th.

2153. It was a retrospective glance?—It was written in consequence of many statements which I read in the periodicals and papers sent out to me.

2154. It is a very general statement?—It is written entirely with that view; my official letters, sent home weekly, contain a full record of the transport service.

2155. You do not detail any facts in that paper, do you?—I do not detail items in that paper.

2156. In fact, it is in the nature of a speech, is it not?—It is in the nature of an answer to the statements which I had read.

2157. Can you produce any of the charters of the transports engaged, whether steam or sailing?—I can produce them, but I have not them with me; I have not quite all of them, but I have a number of them.

2158. Did they all pass through your hands?—No; there was an order given that I should be furnished with copies of all of them, but I did not receive a copy of the charter of every transport, although of the majority I did, but there was no alteration in their tenor.

2159. I suppose that that would not be very material; was there a uniform form?—I believe there was a modification after my arrival at Bombay.

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2160. Was the modification material?—The first charter-party used was not very full, and I drew attention to the Admiralty charter-party, which I thought, if certain things were adopted, would make the Bombay charter-party rather more complete.

2161. Did either the charter-party, or the practice in the Chartering Department, allow any time to the transports for fitting and preparing for the Expedition?—A vessel certainly would not be put on pay until she was ready in every respect for Government purpose; I know that some ships undertook their own fittings, and others were done by the Government of Bombay, with the dockyard resources, the same sort of practice as we have in England.

2162. Does it accord with your knowledge, that in any case a considerable time was allowed for preparing vessels, and that pay was allowed during several weeks before they were fit for service?—I have no knowledge whatever of that fact; it would not come to my distinct knowledge, but it was certainly contrary to every order I am aware of on the subject, to put vessels on pay that were not ready for service.

2163. Did the charter set out the amount of preparation which had to be made by the owners of the vessel on the one hand, and by the charterers on the other?—No, that is not the practice, I think, either at home or in India.

2164. What was the work of preparation and fitting assigned to the owner and to the charterer respectively?—I am speaking rather beyond my knowledge on some of these points, but I can answer for it that in the case of a large majority of the ships fitted to carry animals, the fittings were put up entirely by the Government, and the decks were cut, and the ventilation put in also by Government'; and I also know that the scuttles and the sides of some ships were made in some cases by owners, and that was made a condition before the vessel was accepted by the Government, and therefore those ships would be preparing, and I presume conditionally, under Government pay. In one case which I call to mind, the fittings were entirely made by the crew.

2165. Was not a certain number of boats required by the charter for the duty of embarking and disembarking?—Yes.

2166. Was the provision of boats to your satisfaction in all cases?—The boats put on board the transports were at least in accordance with the Board of Trade regulations, and the quantity insisted on was satisfactory.

2167. The provisions for boats for embarking and disembarking purposes had no reference to the special cargoes which the ships had on board, had they?—They had more reference to the men which a ship carried than to the cargo.

2168. Were they not compelled by their charter to provide a boat or barge for landing purposes?—Yes, long boats or launches; but a ship which carries horses is not compelled to have a boat specically adapted for landing horses; but the boats of a vessel could be used for any purpose connected with her cargo.

2169. Nor mules?—That is neither the practice here nor there; they are obliged to obey all orders, and they were obliged to land, and they did land, at Annesley Bay, their own cargoes when ordered, and they worked their own boats, so far as I chose to order, but not mules; ships' boats are not suited for the purpose.

2170. Had you any difficulty in getting their compliance?—No.

2171. Was the provision of water tanks on board the transports for the supply of the men conveyed an obligation on the vessels?—No; in this expedition the Government supplied the water tanks from the Dockyard of Bombay, which were procured under circumstances of great difficulty and pressure.

2172. Did the Government supply water tanks also for the vessels' own crews?—Each special ship might, under some circumstances, be under a different condition; but they ought to supply, and did supply, their own water, and if they wanted more water in Annesley Bay for their own crews, I invariably made them pay for it.

2173. Have you an account of that nature?—Yes, and it has all been deducted from the ships. The captain of a ship who wanted water for his crew in Annesley Bay, made a requisition to me for so many gallons of water for his crew, and I gave him an order for a condensing vessel; he had to furnish that condensing vessel with a receipt, and I charged him at the rate of 2 *d.* a gallon, which is not that which it cost the Government, but which was thought equitable, on my suggestion.

2174. The Government supplied coals for the steamers in every case, did they not?—Yes.

2175. Did the Government also supply coals for the purposes of the crews on board the steamers?—I think that the Government does that, but I apprehend that there would be considerable difficulty in dividing it. With reference to the sailing vessels from Calcutta, the owners ought to provide their own coals for their crews under all circumstances; but I cannot call to mind any order on the subject in the charter-party.

2176. You had steam transports engaged from 1,000 to upwards of 3,000 tons, had you not?—Yes.

2177. Then the consumption of coals for the purposes of their crews would be very considerable, would it not?—Yes.

2178. Do you, or do you not, know whether the Government supplied them with coals for that purpose?—To the best of my belief they did not; but I cannot mention the fact.

2179. It is quite clear that you made no provision, at all events, for guarding against the vessels using your coals if you were not under an obligation to supply them?—I never supervised the coal accounts, beyond seeing that there was no undue expenditure under steam. The examining into the records of the expenditure on coal is entirely conducted either at home or at Bombay.

2180. Then it may be taken for granted, may it not, that the Government did supply coals for the use of those vessels?—No; I think Mr. Turner, or the transport department, will be able to tell you more correctly; the rule for the Indian transports on this subject never came before me.

2181. (To Mr. *Turner*.) Was it a condition of the charter that the steam transports should supply their own coals for the use of their own crews?—I think it was not mentioned in the charter at all.

2182. Was it an arrangement with the vessels on their being chartered?—Yes.

2183. Did they supply their own coal?—The coal was supplied, in most instances, by the Government;

Government; that is to say, that a quantity of coal was put on board and consumed for public purposes, and for the crew.

2184. Were the vessels charged for the coals supposed to be for the use of their crews?—Yes, for the use of the crews for cooking purposes.

2185. Does that appear in your accounts?—There is an account of it; there is a credit.

2186. That will be a very large item then, will it not?—No, not very considerable. There would not have been, probably, above 30 tons per month consumed.

2187. Are you speaking now of Bombay?—I am speaking of the transports chartered at Bombay.

2188. The Bombay Government have a store of coals at Bombay of their own, have they not?—They have.

2189. Were the coals supplied to those vessels from that store?—They were supplied at all ports; at Bombay, at Kurrachee, at Aden, and at Muscat.

2190. Whether the Bombay Government had stores of their own or not?—All the coals supplied to the transports were through the depôts of the Government.

2191. Notwithstanding that the Bombay Government had no depôts, and were purchasing coals for their own use, did they also purchase for the use of the crews of the transports?—It was a mere bagatelle as regards the use by the crews of the transports. The consumption would only have been about 30 tons a month, I think, if I remember rightly, for cooking purposes for the crew.

2192. Are you speaking of a particular ship?—No; a steam transport.

2193. (To Captain *Tryon*.) Was the "England" your flag ship?—No, I took a passage in her, and my pendant was temporarily blown on board of her.

2194. What was the number of her crew?—Her crew was unusually large; I think it was 142.

2195. (To Mr. *Turner*.) Would you infer that 30 tons of coal per month would be adequate for the use of the crew?—The exact sum consumed was made out in a statement by the masters of the transports.

2196. The price for coals out there averaged 3 *l*. 10 *s*., did it not?—They were charged at that rate to the owner. (Captain *Tryon*.) I may mention as a fact that many ships were very largely provided with coal, so much so that I found fault with the space thus occupied by them in more than one instance.

2197. Did it come to your knowledge how they got their large supplies?—No, but I know they must have been their own, because the mass of them were not coaling ships, and had no access to Government coal.

2198. (To Mr. *Turner*.) Will you explain how it was that the Bombay Government permitted vessels which got coals for their own use to pass through your accounts when they could have the transactions bought, equally with yourselves, of the parties who were supplying the Bombay Government?—I think, as a rule, when the transports were chartered there were no considerable amount of coals in them, and the coals were immediately put on board by the Government to render the vessels seaworthy.

2199. Could not a vessel have supplied herself with coals for her own use just as readily as you could have supplied her?—Possibly; but I think that there would have been some difficulty in distinguishing between the owner's coals and the Government coals.

2200. Then there was not a separate stock supplied for the ship's use?—Decidedly not.

2201. Then her consumption for her own use was either assumed or taken on the certificate of the captain of the vessel, was it not?—It was not assumed, but it was taken from a daily report, showing how much was consumed for the Government for steaming purposes or for cooking purposes, and how much for the owner.

2202. Did you take that report of quantity upon the authority of the captain?—Yes, and those daily statements were merged into monthly statements, and the totals of those again put together at the end of the hiring of each transport.

2203. That account was based upon the certificate of the captains of the vessels themselves?—A monthly statement of the daily consumption of coal on board, all of which are attached to the last payment for the hire of the transport.

2204. Was there any check at all upon that statement?—The statement was submitted to the transport officer at Bombay, and if he thought that it was excessive there was some explanation called for.

2205. But if he thought it deficient, what then?—I think there are some cases where fines were inflicted.

2206. Fines for what?—Where the quantity stated to have been consumed was considered to be too low, and a larger sum was charged for.

2207. (To Captain *Tryon*.) But there was no provision in your department, was there, for superintending the quantity of coals for the crews' use, as distinct from the coal which you were compelled to supply for engine use?—No; the supervision which I adopted in the matter was this, that three times a week I got a coal return from every ship in harbour. It was put on a board, and at a glance one could see the diminution of coal from day to day.

2208. But had you any provision for checking or superintending the quantities used for the crews' use?—I considered that a very efficient practical check. When a captain has got to sea, if he has not sufficient coal to steam the passage, you ascertain at the end of it at once that he has fallen short; I remember a case in point very well with regard to a vessel going to Suez, which fell short, and finally the captain had to account for all coal and all stores at Bombay.

2209. But the quantity of coals consumed by any steamer is not so definite and precise day by day as would clearly show the amount of coal consumed by the captain for the use of his crew; it may vary to a very considerable number of tons from one day to another, may it not?—I think the means used were a practical check, but the rest can only be done by totalling up in the respective offices; it could not be done at Zoolah.

2210. (To Mr. *Turner*.) The fact is, that that there was no provision made for superintending this matter, was not that so?—I do not think that it would have been possible.

2211. Sir *Stafford Northcote*.] Was it not the case that some of those transports were in the employ of the Bombay Government for purposes not immediately connected with the expedition, and

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and that it was necessary sometimes for a transport to be supplied with coal for one service, and then that it came back, and had to be supplied with coal for purposes connected with the expedition?—After the termination of the expedition some of those transports were retained in the pay of the Government for ordinary relief service, and I presume that the coal consumed during that period would be paid for by the Bombay Government.

2212. That would have been a point which you would check, would it not, whether the coal was employed for the purposes of the expedition or otherwise?—The fact, and the date of the employment of the ship would regulate that.

2213. *Chairman.*] You had no means of checking that, had you?—Not the quantity of coals.

2214. (To Captain *Tryon.*) What provision did you make for appraising or weighing the quantity of coals left on board those transports on the termination of their hiring?—That was entirely done by the Bombay authorities.

2215. (To Mr. *Turner.*) Have you any knowledge of that?—The coals were all landed and weighed at the dockyard, or at Butcher's Island, by the officers; there were some few cases where they were allowed to be retained on board.

2216. Does your answer apply to sailing vessels or to steamers?—As a rule I think there were no coal stowed in the sailing transports.

2217. Sir *James Elphinstone.*] Is there a coal store on Butcher's Island?—Certainly; a very extensive one.

2218. *Chairman.*] Then in every instance the coals on board the steamer on being discharged from the service were appraised?—Certainly; they were estimated or weighed. (Captain *Tryon.*) An engineer went on board, and there was a valuation made of the quantity of coal remaining in the steamer, and that was taken over by the vessels.

2219. (To Mr. *Turner.*) The price charged in those cases was 70 *s.* a ton, was it not?—I think not as regards the coal landed. It varied according to the opinion of the professional officer of the dockyard as to its quality.

2220. Have you a record of the prices charged for it?—Undoubtedly, in every case.

2221. Do you remember approximately what those prices were?—In some cases I know as low as 20 rupees was charged; that is 2 *l.*

2222. What was the highest?—I know there was one at 28 rupees, but whether there was any higher than that I forget.

2223. Were there any lower than 20 rupees?—Yes, there were some as low as 12 rupees.

2224. Were there any lower than that?—I do not remember.

2225. Mr. *Mundella.*] I assume that you could only approximately ascertain the amount which was consumed for those steamers for ordinary cooking purposes; there was no means, was there, of efficiently checking it precisely?—There was the same means resorted to as was carried out as regards the English transports.

2226. But was it done as effectively and approximately as it possibly could be done?—I think so. The monthly statement of the consumption of coal was called for at my suggestion.

2227. Sir *James Elphinstone.*] Had not the coal deteriorated very much before it came to be disposed of?—Very greatly; and that was the ause of the superintendent of marine considering that it would be unfair to charge the owner the full price.

2228. And of course it was sold on valuation, according to its quality?—Yes.

2229. Mr. *Eastwick.*] I suppose that the coal would be used by the captains of the vessels only for cooking?—Entirely for cooking purposes and the ship's forge.

2230. On board steamers, is there not some apparatus by which they can use the coal for cooking at a very small additional expense?—That is a professional question which I cannot answer.

2231. You stated, I think, that the monthly expenditure of coal for cooking would be 30 tons; that was 30 tons for how many vessels?—I was speaking of one case of 30 tons' consumption of coal per month.

2232. Do you think that for cooking alone they would use a ton a day on board a vessel?—I know that that was the amount consumed under certain circumstances.

2233. In such a very hot climate they would naturally put out a fire as soon as possible, would they not?—True; but I have no doubt that the coal consumed would be greatly enhanced in consequence of the intense heat.

2234. Sir *John Hay.*] Do you speak of 30 tons being used merely for the crew, or for the crew and the troops?—Merely for the crew.

2235. *Chairman.*] Were there any ships in which you had not that coal account?—It was demanded from every steam transport.

2236. (To Captain *Tryon.*) In conveying troops by those transports, the Government provisioned the troops conveyed, and the ship served out the provisions, did she not?—Yes.

2237. That applied to the rank and file and to the petty officers, did it not?—That applied to the rank and file and to the petty officers.

2238. What provision was there for superintending the provisions on board so supplied?—I could only give that evidence from what I observed. It was not under my immediate superintendence. There are a number of Commissariat officers in England who would be able to give perfect information upon that point, as to the allowance for payment and the system of issue. It differed in India from what it is in England. Some of the coal landed at Bombay came across the Isthmus of Suez; about 900 tons.

2239. The captain of a vessel finds the table for the officers does he not?—Yes.

2240. There is something like 16*s.* a day allowed for serving out the provisions to the crew, is there not?—They are allowed a wastage, and there is an allowance besides.

2241. Is it not 16*s.* a day for serving out the provisions, and a wastage of one-eighth, and 16*s.* more for finding the table for the officers?—I have not the regulations before me, but there was an allowance.

2242. Was that the uniform rate throughout the expedition?—No; the English transports did not get as much.

2243. What did they get?—I do not remember all the details: it is some time since, but I rather think it was 10*s.* However, I wrote and represented that I thought they ought to have the full allowance, as I was sure the money which was given by Government to the English transports was not sufficient to put a good mess on the table. I wrote on my own responsibility, not making

making a complaint, but I represented, as the responsible transport officer, that the English transports provided a good table, but that I was quite certain, from what I knew, that it was done at a cost to the owners, and that the pay allowed by the Government was not sufficient.

2244. Do you think that 10*s.* a day is not sufficient for the table of an officer?—Not in India; it is, no doubt, sufficient in Europe.

2245. And 16*s.* was a reasonable sum?—It was a sufficient price, and I think a proper one.

2246. Do you know if there is any other nation in Europe which allows such a rate?—I do not know about other nations, but I know for certain that to land officers to be efficient for service, and able to undergo an immediate march, and to keep a table such as they are accustomed to themselves, 10*s.* is not sufficient in India, and, by my own experience and by employing people to find out, I am aware that they could not find a good table for 10*s.* on the service on which they were employed.

2247. How many officers came over in the "England" with you?—Over 50.

2248. Then had the captain 16*s.* a day for provisioning each of those officers?—There was a great destruction of stores from climate; I think one item was several hundred dozen of beer, which was all damaged on arrival.

2249. But had the captain 16*s.* a day for provisioning each of those officers?—He had 10*s.*

2250. You came over in one of the home transports, did you not?—Yes.

2251. Would not a similar number be carried in transports chartered out there?—Yes.

2252. And 16*s.* a day would be the rate, would it not?—Yes.

2253. Do you think that that was not too much?—I do not think that that is quite a fair way of putting it.

2254. How would you put it?—That they had to lie for months in Annesley Bay doing nothing, with no passengers on board, and that they were obliged to be always prepared to embark passengers, and if they did not do the work efficiently the ship was liable to be mulct; the waste when they were not carrying passengers caused great expense. The mass of those ships were prepared to carry a very large number of passengers, whereas really comparatively very few were put on board. One ship was liable to be filled, and another of a similar class might carry but two or three passengers.

2255. Do you mention that to account for the high price?—For one reason the risk was great.

2256. In the ship in which you came over, do you think that 25 *l.* a day was not enough to find a table for 50 officers?—I did not go into that case; but I believe that in most cases 10*s.* a day was not sufficient allowance.

2257. How do you account for 12½ per cent. being allowed for waste of provisions?—I had nothing to do with that.

2258. Mr. *Eastwick.*] Is it not a fact that on board the French steamers to the West Indies, for instance, they charge at a very much higher rate for the food of each passenger?—I have always understood so, and I was told so at Aden; the wastage is enormous.

2259. Sir *John Hay.*] There was no exceptional rate created for the Abyssinian Expedition, was there?—No.

2260. *Chairman.*] In a paper which I think was handed in by Mr. Turner, No. 8, page 20, there is a sum of 41,123 *l.* paid to crews of vessels and transport officers, for marine charges; for what is that payment made?—Mr. Turner can answer that question better than I can; I do not know what crews of vessels are alluded to.

2261. I understand the definition of your duties to be to see to the conditions of the charters, and that the transports were paid in accordance with the condition of the charters; was that so?—I am not aware what vessels are alluded to; but if it is the crews of the tugs, the "Semiramis," the factory ship, the tank vessel, the artificers that were hired, and the transport officers that were sent out from England, I can explain it. I have never seen this Paper before, and therefore I cannot state what it is.

2262. (To Mr. *Turner.*) What is that payment for?—That is the pay to the crews of vessels and tugs specially lent by the Bombay Government, and also the pay of the Bombay transport officers specially employed on Abyssinian duty.

2263. But the transport officers were there as such, I apprehend, and would be paid according to their appointment and rank, would they not?—They had a special allowance for Abyssinian work.

2264. Were there two transport officers?—There were several; there was a principal transport officer and an assistant transport officer, and several inferior grades.

2265. Can you put in the payment made to each?—I think not; I can state the amount of pay paid to the transport officers separately from any other item.

2266. Have you not the amount paid to each transport officer?—No.

2267. (To Captain *Tryon.*) Have you that amount?—The employment of the tugs and the crews of the "Semiramis," and the condensing vessels at Annesley Bay, and the lighters, are all that I have perfect knowledge of.

2268. What is the basis of that payment which you have mentioned?—The men were supplied on my requisition by the Bombay Government, and they are responsible that the men had only what was proper in the shape of pay. I hired none of them myself, and I paid hardly any of them out of the funds at my disposal.

2269. Was this extra pay?—No, I imagine not. The mass of those labourers were all specially hired. We had a crew of about 160 in the "Semiramis," and there were about 100 artizans and labourers and coolies.

2270. (To Mr. *Turner.*) Are those payments included in this amount?—That is a mere estimate of the charges; it is not expenditure. The actual figures, I may state, are recorded in a subsequent Paper.

2271. (To Captain *Tryon.*) Were not the conditions of the charter mainly that the ships had to be discharged at the places where they were chartered?—Yes; the port of discharge was named in each instance.

2272. Was it in any case Annesley Bay?—No; but some freight ships could be discharged in the Red Sea.

2273. Were they discharged at Annesley Bay?—Yes.

2274. Can you mention them?—The "Antoine Dor" was, and one or two other coal ships.

2275. I must ask you to be good enough to give the names of the ships which might, accord-

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ing to the conditions of the charters, be discharged at Annesley Bay?—I have it in a book, and I must refer to the terms of agreement.

2276. Can you mention the number?—There were three or four, I think.

2277. Was one of those discharged at Annesley Bay?—The condition was, to be discharged at Annesley Bay, but to be towed out of Annesley Bay.

2278. Were they so discharged?—Yes.

2279. Were all of them so discharged?—I believe all.

2280. I understood you to be limiting your answer to one?—Those ships were chartered specially to Aden for the supply of coal; and directly I cleared them of coal I discharged them according to the conditions of the charter-party.

2281. Were there not seven or eight?—I think that you are alluding to one of the five.

2282. Was it not a condition of their charter that they might be discharged at Annesley Bay?—No.

2283. Were they discharged?—No, they were not; they were employed and sent where their services were required.

2284. Will you explain how that came about, if, as I presume, you had more ships finally in Annesley Bay than you could profitably employ in carrying troops or provisions home?—With regard to those five ships, I would mention that, on my arrival at Bombay, on reading the charter-parties, I found that they did not mention the port at which the ship was to be discharged. I drew the attention of Commodore Heath, who was then I believe overlooking the charter-parties at Bombay, to the fact, and I also pointed it out to Commodore Young, who was signing them, and an alteration was made in future charter-parties, it being an omission. I then found out that it only applied to the ships which were first dispatched, and I think that there were only five charter-parties issued. My letter upon the subject of charter-parties was referred to the Government solicitor, and certain portions were accepted and certain portions were not. It is printed.

2285. But, in the interests of the Bombay Government, was it a matter of complaint from you, that power was reserved in the charters to discharge those vessels in any port of India?—No; it was merely a suggestion on my part for the good of the service.

2286. Was it your suggestion?—I drew attention to the fact, that in the charty-party, the port of discharge was not mentioned at all; it was understood by the owners on the one hand, and by the charterer on the other, that the vessels were to be discharged at Bombay, but it was not specially mentioned.

2287. The absence of that condition left you free to discharge the vessels where you pleased, did it not?—I think not. I drew attention to obtain information as to what I was to do under the circumstances; no man would send a ship into Annesley Bay for her to be discharged there, without knowing it beforehand; she could not possibly get out of the Red Sea, and I was informed by the person who was the best authority, that Bombay was the port.

2288. Then I understand you were managing, not only the business of the Government of Bombay, but the business of the owners of those transport ships?—That is an erroneous conclusion altogether; I wrote a letter, which is a confidential Government document, to inquire, as there was a difference of opinion, what was right; my letters on the subject were published, and received approval. I drew attention to the fact, that it was not mentioned in the charter-parties where the vessels were to be discharged; and I wanted to know what my powers were.

2289. Did you not understand the provisions of the charters from perusing them?—No; because verbally I was told that the merchants and Commodore Young understood it to be distinctly implied that they were all to be discharged at Bombay; but the Government solicitor, on reading the charter-party, thought that they might be discharged anywhere.

2290. At a subsequent date those charter-parties were altered, were they not?—Not of those ships.

2291. But in subsequent cases were not the charter-parties altered to a definite place of discharge?—They were not altered to a definite place of discharge. But the port or ports at which they could be discharged was mentioned in the charter-parties.

2292. Then, notwithstanding that you had the option of discharging those first five or seven ships in Annesley Bay, you did not discharge them, but you kept them in pay until you could send them to unload in some port in India; was that so?—I do not think myself that I had ever the option of discharging in Annesley Bay.

2293. But I understood you just now to say, that that doubt was solved by a reference to the solicitor, who was consulted?—Yes; but the officer on behalf of the Bombay Government who chartered the ships, told me that verbally in signing those charters, it was implied between the owners and the Government that the vessels were to be discharged at Bombay.

2294. Did you pay the freights?—I did not pay the freights.

2295. Then that was not a question for you at Bombay, was it?—I was ordered to make myself acquainted with all matters connected with the chartering.

2296. And subsequently you took care to have that doubt resolved against the Bombay Government?—Your question conveys an entirely wrong impression. I took very good care to do my best to protect the Government.

2297. The "Scotland" came to you with coals purchased at Galle, the "Peerless" with coals purchased at Bombay, and the "Napier" with coals purchased at Galle; was that so?—Yes; I remember the "Scotland," "Peerless," and "Napier."

2298. The "Scotland" brought you 1,776 tons of coals purchased at 38 rupees at Galle, was it not?—I have not here the statement where the coals were purchased; I have only the history of the ships.

2299. Then whenever and wherever the coals were purchased, a ship was chartered at 10 rupees per month to bring them on to Bombay; was that so?—Yes, for six months, to be discharged at Bombay.

2300. What work did that vessel do while she was under charter?—She left Bombay on the 16th of November 1867, and she arrived at Annesley Bay on the 8th of December 1867.

2301-2. When did the payment commence?—She was chartered on the 13th of December 1867, and

and she left three days after chartering; she left Annesley Bay on the 17th March 1868, for Suez, where she arrived on the 26th of March in tow of the "West Indies"; she left Suez on the 7th of May, and she arrived at Annesley Bay on the 14 of May 1868, towed by the "Dalhousie." She brought 60 camels, 13 followers, and 1,700 tons of coal.

2303. From the 8th of December, when she arrived at Annesley Bay, to the 17th of March, when she left it, what was she doing?—She was coaling ships when required.

2304. Was she kept as a coal depôt?—As one of the coal ships.

2305. Did you ever reckon what those coals cost per ton, when finally discharged from that ship?—I do not know as to that special ship; but I have reckoned what the coals cost in Annesley Bay, reckoning charter.

2306. Was the "Peolus" one of the open charters, to be discharged anywhere?—No, there was no ship with such a charter. The "Morning Light" was one to be discharged when towed out of Annesley Bay; the "Morning Light" was a ship that was sent on from Aden. She was chartered at Aden by H. B. Abbott, Esq., assistant political resident; freight to be paid at the rate of 20 rupees per ton of 20 cwt. on the quantity of the cargo, as per bill of lading, without weighing; the cargo to be discharged within 55 running days from the time of notice being given of ship ready to discharge; or the consignees to pay demurrage at the rate of 300 rupees per day for all and every day over and above the 55 days allowed; the consignees to provide stone ballast, in sufficient quantity to navigate the ship, free of any charges.

2307. Was she on time charter?—No, she was not on time charter.

2308. Is there one time charter to Annesley Bay, without an obligation to send the ship back again to other Indian ports?—Every ship on time charter was ordered to return to India, with the exception of those five which have been alluded to, which are open to doubt, owing to an apparently customary omission.

2309. You mentioned some which had not that as a condition of their charter, did you not?—I was alluding to the freight ships particularly.

2310. Can you give me one of those ships which you were free to discharge anywhere, which had not that in their charter?—Yes; we were free to discharge, in the opinion of the Government solicitor (but it would be very doubtful whether it would be held to be so by any court, as it was implied at the time they were chartered they would be discharged), the "Great Victoria;" she was not a coal ship.

2311. Have you another coal ship?—I think not; all coal ships were time chartered, except vessels which were hired at Aden; I cannot remember, but there may have been three or four, not more, of them.

2312. What was the "Great Victoria's" charter?—The "Great Victoria" was chartered on the 6th of September at Bombay, at 28 rupees, for six months.

2313. Was she a steamer?—An auxiliary screw steamer, 2,398 tons, and 150-horse power; her average consumption of coal was 22 tons a day.

2314. That was very small, was it not?—It would be plenty for 150-horse power.

2315. Was she discharged at Annesley Bay?—No; she was discharged at Bombay.

2316. For how long was she chartered?—Six months certain.

2317. How long was she employed?—She was discharged on the 29th July 1868 at Bombay; that is, from the 6th of September 1867 to the 29th of July 1868; that was one of the longest employed ships of all.

2318. Do you think that that ship would have suffered injustice if at the end of the six months she had been discharged at Annesley Bay, having had 28 rupees, or 56 *s.*, per ton per month during those six months?—I never entertained the question of discharging her; she could not be spared.

2319. But you were a short time since justifying your sending those ships home on the ground that it would be unfair to their owners to discharge them at Annesley Bay, were you not?—I conveyed a wrong impression if I said anything that could be so understood.

2320. Were there any sailing vessels chartered giving you the option of discharging them at Annesley Bay?—The "Star of the North" and the "Atmosphere" were the first pioneer ships, and the "Queen of Australia" and the "Hydra;" it does not mention the fact on the charter-party. In the opinion of the Superintendent of Marine at Bombay, who chartered them, they were to be discharged at Bombay, but the Government solicitor, acting on the actual wording of the charter, thought otherwise.

2321. What rates had those vessels?—The transports in whose charters the condition of discharge was omitted, whose rates have not been already given, are the "Star of the North"; she had 19*s.* per ton, and was taken up for six months certain; the "Atmosphere" had 18*s.* per ton; the "Queen of Australia" had 21*s.* per ton; and the "Hydra" had 18*s.* 6*d.* per ton.

2322. Was each of those vessels chartered for six months certain?—Each of those vessels was chartered for six months certain.

2323. At the end of the six months what injury would you have inflicted upon those six vessels if you had discharged them in Annesley Bay, rather than have kept them in pay until you took them to some Indian port?—I never had permission to discharge the vessel; three could not be spared; those vessels were vessels fitted for animals, and no animal vessel was discharged.

2324. Did you not feel yourself at liberty to reduce your sailing tonnage at Annesley Bay?—Not without the permission of the General.

2325. When did you discharge the "Queen of Australia"?—On the 30th of July.

2326. Where did you discharge her?—At Bombay.

2327. When did she leave Annesley Bay?—She left Annesley Bay on the 30th of May.

2328. Did not the General commanding instruct you to reduce your tonnage as soon as you could?—No.

2329. Will not that appear upon the Papers before the Committee?—I should think not; I have not handed in any such Paper; the only Paper I saw, ordered every transport to be retained for the conveyance of the troops when the troops were at Magdala; any store-ship we should have dispatched.

2330. If all the *matériel* which you had in Abyssinia had been abandoned on the soil of Abyssinia, and the transports cleared away without it, would you have made or lost money by the abandonment?—At the earliest portion of the

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expedition at Zoulla, I represented to the General that it would be cheap to consider everything landed in Abyssinia as lost to the Government. I remember reserving the point of locomotives, and things of exceptional value.

2331. And experience did not alter, I presume, but rather confirmed that impression?—I by no means recommended such a proceeding; I merely pointed out the cost.

2332. Is it your opinion now that if all the *matériel*, all the mules, all the hay, and all the provision that were there more than necessary, had been abandoned, you would have made or lost money by the transaction?—In a pecuniary point of view, which is only one view in my estimation, I have no doubt that there would have been a saving.

2333. Have you estimated it?—No, I have not.

2334. Have you formed any estimate at all?—No; I have no access to the cost of mules, and the prices of other things; I roughly estimated a mule at so much, and the tonnage required to take each mule away at so much.

2335. In your evidence before the Committee on Tuesday, you stated that the excess of cost was attributable to three things; the loss of the mules, the extra tonnage in consequence of that loss (being some 55,000 tons, if I remember correctly), and the failure of water, as you expected, in Abyssinia; that was so, was it not?—Yes.

2336. What was the cost of each mule landed in Abyssinia, reckoning freight, and agency, and first cost?—I cannot now tell you.

2337. My object is to get from you your own estimate of what those sums come to. You say that the excess of cost resulted from those three causes; can you put that excess of cost in figures, attaching a figure to each item?—Not without communicating with other departments; but what I wished to illustrate the other day was the great amount of tonnage which had to be kept longer in employment than it would otherwise have been if we had not had to send for more animals than we originally contemplated.

2338. You had your flag-ship there all the while that you were in Annesley Bay, had you not?—Yes.

2339. What ship was that?—First the "British Monarch," then the "Euphrates."

2340. Was she an English chartered ship?—No; the "Euphrates" was chartered in India; she was 650 tons.

2341. Was her anchor ever weighed while your flag was flying?—No, not when my pennant was up; but in the early portion of the expedition I removed from the "England" to a sailing vessel which was retained there, and I did not take the "Euphrates" until the "Euphrates" services could be spared. The services which the "Euphrates" rendered are rather long.; and she received stores, &c., which, from their nature, could not be landed, when she carried my pennant.

2342. Did she do any service in Annesley Bay further than remain as your flag-ship; was she ever under weigh at all?—She was not under weigh as my flag-ship; she would have been so if we had remained there a little longer, or if we had not heard when we did of the fall of Magdala.

2343. It was mentioned by Admiral Mends that it was thought expedient to give you a steamer in Annesley Bay, that you might communicate, by means of that steamer, with the ships in the bay; I suppose you would be able to do that by tugs, would you not?—Yes, by a small steamer; but it was always contemplated, in the event of the expedition not terminating, that it would be necessary to send the mass of vessels out of Annesley Bay, including hospital ships, and so on; it would have been impossible to have retained them all, in my opinion; as it was our healths suffered very much, and we could not have gone on much longer.

2344. Did the commander of your flag-ship proceed to Magdala?—No; like almost every other European, with the exception of myself, and about five or six other officers, I gave leave to everybody whose health suffered, when I could spare them, either to go for a three days' trip to the Highlands, or to Suez, or to remain outside watching for pilot vessels.

2345. Did not the commander of your vessel spend some months in the interior?—Certainly not; I think the time that he was away was 10 days; I gave him leave to go, and I think he went as far as a place called Gogoona.

2346. How many hospital ships had you in Annesley Bay?—Four. and another was subsequently in course of being prepared.

2347. Were they all steamers?—Three were steamers, and one was a sailing vessel.

2348. Will you mention them?—The "Queen of the South," the "Mauritius," and the "Golden Fleece," and the "Star of India" (sailing vessel).

2349. Would you not have had as efficient hospital accommodatiou on board sailing vessels at a very much less price?—That is a question I never entertained until this moment; I imagine that it was always intended that the hospital ships should be sent to Suez, and out of the bay if necessary; the "Golden Fleece," when on one occasion three or four men died in the course of a few days, from heat, was sent to cruise outside, she also went to Suez and back.

2350. Are you aware that those hospital ships cost about 40*s.* or 50*s.* per ton per month?—I am aware of the fact.

2351. And are you aware that sailing vessels might have been had for 21 *s.*, 22*s.*, 23*s.*, or 24*s.*?—I should have been very unwilling indeed to see sailing ships adopted as hospital ships.

2352. Why?—I think that they would be very unfit for it, under the circumstances.

2353. Was the one which you had unfit?—The patients were shipped off to Bombay weekly. The number of patients she had was very small indeed. She was a hospital for natives, and was more of a depôt; and before she was fitted her usefulness was well considered.

2354. Was she unfit?—No, but she was not so good as a hospital ship; I think it would have been very unwise to have sailing ships.

2355. Had you a large steamer engaged there called the "West Indian"?—Yes.

2356. Do you remember sending her up to Suez for flour, in March?—She did not go to Suez for flour; I never sent her specifically for flour. She left Annesley Bay on the 17th March 1868, and arrived at Suez on the 26th March 1868, and she went there towing the "Scotland," a ship which we sent for coal, being short of coal.

2357. Did you not send her for flour?—No; she went for a general cargo, as other ships did,

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to Suez, to afford sufficient tonnage for the general cargo, which was there ready to be shipped on board of her.

2358. She brought back hay, did she not?—She brought back 24 drivers, 100 camels, 280 tons of beans, and the rest hay.

2359. Was not this at the time when you had more hay than you knew what to do with?—It I think was compressed forage. It was only the fact of our being successful that left us with more hay than we required. This hay was all landed from the "West Indian" directly.

2360. Were you not then deficient in flour?—I have no idea of that. The steamers went at least twice a week to Suez. This steamer went up for a general cargo.

2361. Can you mention the cost per ton of coals purchased by the Bombay Government, and sent on to you in Annesley Bay?—I cannot tell you of my own knowledge. I have formed at different times an estimate of it.

2362. The purchasing price was somewhere about 76 *s.* per ton to begin with, was it not?—I never saw a document on the subject.

2363. Do you not know the cost of those coals?—I know nothing about it, although I may have heard it generally.

2364. Could you form an opinion upon the subject?—Yes.

2365. What is that opinion?—I think the most expensive coal we had would be about 8 *l.* a ton, including everything.

2366. There was one cargo purchased at 70 rupees to begin with, was there not?—Perhaps that was at a time when we reduced our coal at Aden to 200 tons, and the expedition was almost failing for want of coal, if I am acquainted with the case I may be able to tell you about it.

2367. The "Scotland" came on pay on the 13th of November, and she did not leave Annesley Bay again until the 17th of March, and the ship and her coals were wedded together during that time; what was the cost of that cargo, it having been bought at the rate of 76 *s.* per ton, to begin with?—I could not answer that question, but I remember taking that as an estimate of the coal at Bombay. I believe it was somewhere about 8 *l.* per ton, though I am speaking of calculations made many months ago.

2368. Mr. *Seely*.] I think you stated that no sailing vessel made more than one voyage from Annesley Bay to Bombay?—I think there were two or three exceptions.

2369. Upon an average, what number of voyages did the steamers make?—I really cannot say.

2370. Did any steamers make six or seven voyages?—I should think not. Any ship that was kept on the Bombay line would have made that number of voyages; but they were so liable to be diverted to Suez and elsewhere, whereas the steamers never lay idle; they were kept going the whole time.

2371. Do you know the number of steamers that were employed in that expedition?—There were 30 steamers at Bombay, 19 at Calcutta, and seven at Aden and Suez.

2372. How many sailing ships were there?—I think there were 205 sailing ships; the Return will show exactly.

2373. Do you not think that under the circumstances it would have been wiser to have had more steamships and fewer sailing ships?—There were no more steamers to be procured; every steamer that could be taken was taken.

2374. Your answer must have a limited application, must it not?—I believe it might have been more advisable to have had more steamers.

2375. But when you say that no more steamers could be procured, you must of course limit your answer to Bombay or India; you are not speaking of England, are you?—I am not speaking of England.

2376. Then, under the circumstances, might it not have been desirable to have sent out from England more steamers, and so have engaged fewer sailing vessels at Bombay?—With our present knowledge it might have been so, but at the commencement of the expedition I considered we had sufficient steam power.

2377. The three hospital ships were iron ships, were they not?—Yes, they were.

2378. Do you not think that wooden ships would have been preferable as hospital ships?—I think wooden ships are better in some respects; but the iron ships are more cleanly.

2379. There was a vessel called the "Collingwood," do you know that vessel?—I know her.

2380. She was a vessel of considerable tonnage, belonging to the Admiralty, and a line-of-battle ship; would it not have been advisable to have converted that ship into a hospital ship, and sent her out in place of one of those iron vessels?—I was not aware that any ship of the "Collingwood" class which has been converted into an auxiliary screw which could have made the passage sufficiently rapidly to have been of use.

2381. In the Appendix, No. 9, it is stated, I think, that in a comparison as to the advantages of discharging a vessel at Bombay or of bringing her home, the cost of the coals for the "Peruvian" would have come to 7,200 *l.*; is that so?—Yes, but I did not make the estimate myself.

2382. Do you know what those coals were valued at per ton?—No; I had nothing to do with making up this statement, and I had no knowledge of it. Admiral Mends put in a statement the other day to show the actual cost.

2383. About how many tons would be required to bring the "Peruvian" from Bombay to England?—About 2,600 tons, speaking roughly and off-hand.

2384. If you refer to Appendix 7, page 168, I think you will find that there were 11,000 tons of coal at Bombay, valued at 24 *s.* per ton; is that so?—It is so, if it is in the Return.

2385. Was it fair, then, to put down the coals at the price at which they were put down, when there were coals valued at 24 *s.* per ton at Bombay?—The "Peruvian" would have been compelled to coal, anyhow, on her voyage home. She could not have burnt up all her cargo; and moreover, the "Peruvian" could not have coaled at Bombay until after she was docked, and no dock could be procured. Again, she would have had to be coaled from ships afloat, which would have been a source of detention, and I estimate that some saving was effected by the discharge at Bombay in consequence, because we could not have sent her on her voyage to England without a considerable detention at Bombay, for which detention the Government would have had to pay.

2386. My question had not so much reference to the comparative advantages of discharging the vessel at Bombay or of bringing her home, as to

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showing that that was not a fair calculation of 7,200*l.* for coals?—I did not make that calculation, and I have no means of forming a calculation.

2387. Do you think it a fair calculation, when you have coals at Bombay valued at 24*s.* a ton?—You could only allow the "Peruvian" on that subject, for her passage from Bombay to the Cape,

2388. *Chairman.*] Do you inform the Committee that the "Peruvian" could not have received on board coals enough to steam her home?—The "Peruvian" requires a certain amount of ballast on board, she cannot burn all her cargo out; she would have arrived in England with a certain amount of coal, or of extra weight. I had to put ballast on board myself many of the transports.

2389. Mr. *Seely.*] Are you aware that iron ships were rejected?—I recollect the fact that I heard when I was sitting with Commodore Young, in Bombay, that iron ships for a period were not accepted if equally good vessels of wood offered; but I think it lasted for a very few days, for immediately an order came to accept iron ships, and we might have suffered great inconvenience in consequence, and extra expense.

2390. Are you aware whether higher rates were paid per ton per month for sailing ships engaged at Bombay than were paid for steam ships engaged in England?—I think some of our cheapest steamers were cheaper than the dearest sailing ships.

2391. Did you ever consider whether the steam colliers that took coal to the Cape might not with advantage have gone on to Bombay and have been used for the purposes of the expedition?—I remember there was one steam collier which we were anxious to get on to Bombay for the purposes of the expedition, but she could not stand the survey, and she was not chartered. It was endeavoured to replace the "Bosphorus" by some ship to be chartered at the Cape.

2392. Then the question was raised, and it was considered not expedient, was that so?—Just so; the idea was not carried out.

2393. Those vessels would have been very useful, would they not, in sending for animals, and in the general business of the expedition from Annesley Bay?—I remember at that period we thought we were well provided with steam vessels.

2394. Speaking from your experience, have you any recommendations to put before the Committee with regard to any future operations similar to those of the Abyssinian expedition?—I think we see by this expedition that, in a sea so little known, it is impossible to have too many steamers. Sailing vessels may be cheaper, but they entail a steamer to look after them in so many instances, that though they may be cheaper in the first instance, they may be dearer in the end.

2395. Is there any other recommendation which you would make with regard to the future?—I think the case is very well understood.

2396. Speaking of the difficulty of sailing ships going about, they could not navigate the Red Sea without steam tugs, could they?—Yes; it is solely a question of wind and current; they were safe, but could make but little progress.

2397. But very often they could not go along without a steamer, could they?—They would go to leeward. You could not make a passage without the assistance of a steamer.

2398. Mr. *Mundella.*] I think you stated that one reason of the detention of vessels at Annesley Bay arose from the fact that you had neither men enough to remove the stores, nor storehouses enough to receive them?—My memorandum, written at Zoolah, expresses that referred to labour on shore.

2399. And notwithstanding that, there were some 40,000 camp followers; there was really not labour enough to remove the stores; was that so?—There was not labour enough at the beach. I may mention, that more labour had been telegraphed for as early as January.

2400. Was not there a great deal of surplus labour sent back to Bombay?—No, certainly not.

2401. I understand that some 2,500 men, the sweepings of the streets, were sent back again?—I believe this to be an exaggeration, and I believe the labour sent out was as efficient as the labour from India generally is, and the means taken to ensure that this labour being efficient can be fully explained. The number of men embarked from Annesley Bay, previously to the fall of Magdala, were 4,868. A very large majority of those were unfits; that means men who have become unfit on medical survey. It is an Indian term. That number also includes, I think, some Persian mule drivers, and others, who from their character were not found to be suitable.

2402. Mr. *Baxter.*] You stated that it would have been in a pecuniary point of view preferable to have abandoned the stores in Abysinnia, rather than to have taken them away; but I think you led the Committee to infer that there were other substantial considerations which on the whole rendered that policy unadvisable; will you state what those considerations were?—I can understand that to abandon baggage and animals in some cases might look more as if one had sustained a defeat than as having gained a great success, and for political reasons I can understand its being desirable to take away a great portion of the equipments of the army; a considerable number of the mules, I heard, were promised to be returned to the Government of India, who could not replace them elsewhere.

2403. In your opinion were the reasons which you now mention to the Committee. of sufficient weight to justify the large pecuniary loss incurred?—I never had to decide the point; but I may mention that there was nothing embarked to my knowledge without a board first sitting upon it, composed of competent officers, who thought that the stores which were returned were worth sending to Bombay. The mass of the things that did not realise money at Bombay, were things that were not landed from transports at all.

2404. Then that board was responsible for the course that was taken in embarking all the stores, was it not?—It was responsible for the advice that it gave.

2405. To whom?—To the general.

2406. And the general issued his orders?—The general issued his orders.

2407. Then in point of fact you had nothing whatever to do with it, and you did not even recommend a course, but you only called the attention of the general to the fact that it would be cheaper in many instances to abandon the stores; was that so?—I officially drew attention

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to the great cost that would be entailed by the removal of any of them to Bombay. The Commissariat officer at Suez had written to say that he could not get a market for what he had on hand at Suez; and that to send them to Europe would entail a much greater expense than they were worth, and I said it would cost very much more to send them to India than it would to send them to Europe, and I could not therefore recommend carrying stores to Bombay. When the general, Lord Napier, came down to Zoolah I also pointed out the difficulty and expense that would be entailed in Bombay harbour; in fact, as General Russell and the controller of supply and transport will inform you, I constantly pointed out the great cost which would be entailed by returning stores back to India.

2408. Was any large portion of stores abandoned?—A very considerable amount was left behind; it was sold for some inconsiderable sum.

2409. Then this Board practically decided the question, and no doubt the general was guided by their advice?—Yes; I suppose so.

2410. Did he always act upon their advice?—I never heard the contrary.

2411. Then it was not in consequence of any general order from Sir Robert Napier that the stores were embarked, but he ordered them to be embarked on the advice of a board sitting upon the question?—Nothing was embarked without the direct order of Sir Robert Napier; he ordered the whole proceedings; he ordered those boards.

2412. No portion of the stores were embarked in consequence of a general order from Sir Robert Napier?—No sweeping order to embark everything ever came to my knowledge.

2413. Sir *Patrick O'Brien.*] You were present at Annesley Bay when most of those mules arrived, were you not?—Yes.

2414. What supply of water was there on the transports when they did arrive in Annesley Bay; was there much water remaining at the time when they got into the bay?—I do not know an instance in which a vessel arrived in Annesley Bay that conveyed animals that was not amply supplied; it was one of our sources of supply for the beach; we pumped out that surplus water, and supplied it to the army on shore.

2415. Was there more than a sufficient supply on their arrival there?—In every instance, to the best of my knowledge, there was an ample supply.

2416. Are you enabled to state what would be the supply of water on the beach at the time those mules were landed?—There was none except that which was artificially given.

2417. Can you describe what took place with regard to the large number of mules landed at Annesley Bay in respect to mortality, and in respect of the time at which that mortality took place?—I think that information would be better got from the officers of the Land Transport Department, for I can only speak from hearsay.

2418. Were the mules which had a supply of water on board of the vessels which conveyed them, landed upon the beach where there was no supply of water to be afforded to them?—Water was always afforded to them on the beach; it was artificially made by condensing; there was no natural supply.

2419. Then am I wrong in stating that a number of mules died on the beach from not having water supplied?—I think you are. No doubt everything did not go so well at first as it did afterwards.

2420. *Chairman.*] The mortality among the mules arose before you landed, did it not?—The first lot of mules.

2421. Mr. *Holms.*] I think you stated on Tuesday last, that you arrived in Bombay on the 10th of October and left on the 17th of December; during the time you were in Bombay did you form any opinion at all as to the cost of the Abyssinian war?—I did form a sort of opinion, but it was quite a worthless opinion; I think there was no officer connected with the expedition who had not an estimate of his own.

2422. What was your estimate?—I was always of opinion that it would cost more than it did, because I did not think we should find Theodore at Magdala. I did not think it would terminate so soon.

2423. What opinion did you form?—I had no data to go by, but I know that war is expensive, and from the number of transports we had there, I think if it had lasted another season the cost would have been triple, and I think we were most fortunate to get off as cheaply as we did.

2424. Was that the general opinion?—No, everybody had an opinion of his own; a very large number believed that Theodore would give in, and that the expedition would terminate early from that cause.

2425. Mr. *Eastwick.*] It has been stated that a great deal of money was lost by bringing back stores to Bombay, where they could not be landed through the demurrage; could any saving have been effected by taking them to Aden instead, and landing the stores there?—I think all the stores that the market of Aden could receive were sent there, at least all that it was thought that the market would receive. The subject was well considered.

2426. Mr. *Christopher Denison.*] In answer to Question 2141, at page 113, you have stated, and you to-day repeat, that you pointed out at an early date to Sir Robert Napier, that with reference to expense alone, it was not worth while to retain tonnage at Annesley Bay to carry away animals at all, and that it would have been cheaper to throw everything away. When you gave that opinion, had you in contemplation the engagement of fresh tonnage, and did you take into account at that time the fact of most of the vessels being chartered for a period of six weeks or more?—I simply pointed this out, because I calculated the value of a mule at the market at which it was originally purchased, and the cost per month of detaining the tonnage expressly to take that mule away. It referred to animals more than to stores.

2427. Sir *James Elphinstone.*] What is the rise and fall of the tide at Annesley Bay?—We had as much sometimes as four and a-half feet; sometimes it was three feet, and sometimes two feet. I think we had as much as five feet on one or two occasions.

2428. Was that sufficient to flood the low lands?—That was sufficient to flood the low lands, particularly if the wind was on shore.

2429. How many docks are there at Bombay available for large ships?—There is one Government dock, which was latterly occupied by the "Malabar," and the Peninsular and Oriental Company have one large one. There are other docks besides.

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2430. It was absolutely necessary, you stated, from the coralline formation on the bottoms of the ships, that they should be docked before they could be sent to sea, was it not?—Yes.

2431. Of course that obliged you to keep these ships under pay longer than you otherwise would have retained them?—I think that only refers to the "Peruvian."

2432. Then with regard to the articles and mess stores; all provisions deteriorate most rapidly in that climate, do they not?—Yes.

2433. The evaporation and heat act upon the provisions and upon the liquids, and you have a great waste continually going on, have you not?—Yes.

2434. And the ships were obliged to be ready for all emergencies, so that they were obliged to keep up their stores in a place where they could not be replenished; was that so?—Yes.

2435. You would have been obliged, would you not, to tow the ships from Annesley Bay to Cape Furtak if you had discharged the ships whose charters you could put an end to?—If we had had the power of discharging ships in Annesley Bay, I imagine we should have discharged them there. I may mention that a vessel not hired by Government first started in tow, but had to put back; then she lost nearly one month, from not being able to get out of the Red Sea, and finally she was towed out by Her Majesty's ship "Vigilant."

2436. No shipowner in his senses would have made such an agreement as to have terminated his charter in Annesley Bay, would he?—It would have been simply insanity to do so, unless he was paid accordingly.

2437. Those ships that you did take out of the Red Sea, I think you stated you took to Cape Furtak?—In the first instance according to the season.

2438. It is 300 miles from Massowah to Bab-el-Mandeb, is it not?—Not quite so much.

2439. And from Bab-el-Mandeb to Cape Furtak is 500 miles, is it not?—Yes.

2440. So that you had to tow those ships 800 miles?—Yes.

2441. What was the reason that you found it necessary to tow those sailing ships so far out of the Gulf as Cape Furtak?—At certain seasons of the year there is a belt of calm which extends from Guardafui to the coast of Arabia, and within this the winds are very uncertain, and squally, and in every direction; and the currents are uncertain, and the time occupied in passing over this distance would be probably much longer than in the whole distance from Bombay. Further on there is an absolute calm, and I may mention that in towing the 3rd Dragoon Guards from Bombay, the steamer which towed them was absolutely required to go back to Bombay, it was necessary to cast them off at Cape Furtak, and they made thence to Annesley Bay a slow passage. From Annesley Bay on the same date we dispatched vessels to Bombay; acting on the information that I had, I towed vessels beyond this belt of calm, and they had a rapid passage to Bombay; as that belt of calm decreases it is possible to cast off vessels nearer to Annesley Bay; the current sets strongly in an adverse direction.

2442. The normal set of the current being in the Red Sea?—Yes.

2443. Is that accounted for by the evaporation in the centre of the Red Sea causing an influx of water into the Red Sea, and making it almost impracticable for eight months in the year to get out of the Red Sea?—Nearly all our vessels failed; men-of-war and others failed at times in towing vessels out.

2444. Sir *John Hay*.] Some questions were asked you on the subject of hospital ships, and the necessity for their use, and also whether sailing ships would not have been equally suitable with the steam ships which were sent from England for that purpose. Would it be your opinion that sailing ships would have performed the duty as well if they could have arrived there as soon as the steam ships?—I think that I have already stated to the Committee that sailing ships were very undesirable ships under the circumstances in which the army was placed, and that they ought all to have been steamers.

2445. Are you aware that the Admiralty were in some degree influenced in recommending the immediate dispatch of those three hospital ships from England to Annesley Bay, by reason of the enormous loss of life, and the failure of the expedition to relieve the captives at Koomassie, which is usually called the Ashantee War?—I remember before I went to Bombay, that at Somerset House when I met yourself and Admiral Mends there on duty, you made that remark and statement, and I bore it in my mind throughout the whole expedition.

2446. Was not one of the reasons which influenced the Admiralty in despatching those ships the failure and enormous loss of life in Africa, on a recent occasion, for the want of those hospital ships?—Yes, clearly.

2447. Did not the same reason influence the Admiralty in calling your attention to the necessity of a distilling apparatus, in consequence of the great loss of life and failure of that expedition for want of water to be supplied by distilling apparatus?—Yes.

2448. Is it not true that the Admiralty, through me, called your attention to the necessity for remembering that the sea was the base in any African expedition?—Those, I think, were the very terms which were made use of.

2449. Sir *Stafford Northcote*.] Do you remember some statements which appeared in the public papers, and which were commented upon, as to the cost incurred in the condensing of water, that at one time it was costing about 4,000 *l.* a day?—I think I remember a statement of the sort.

2450. Can you give the Committee any idea of what the daily cost of condensation was?—I can give the total quantity, and my estimated cost per gallon; the total quantity of water supplied was 39,918 tons, and the cost 4·35 pence per gallon.

2451. Can you state, at all, what the daily cost was in the early days of the expedition, about the time when Sir Robert Napier landed?—I should think that it was about 140 tons of water a day, at 4½ *d.* a gallon, at 220 gallons to a ton, coming to about 320 *l.* a day, exclusive of labour and plant to work it a day. We had not our second condensing ship, which made it a little cheaper afterwards.

2452. Do you remember any communication taking place towards the close of the expedition as to the possibility of finding a market for the mules at the Mauritius?—I think I have read a communication of that nature.

2453. Were

2453. Were you aware of any circumstances which would have prevented the Mauritius planters from sending for the mules, as it was hoped they might do?—I know nothing to have prevented them, provided they had time; but my impression is that there was no time.

2454. What would have been the length of the voyage from the Mauritius to Annesley Bay?—There was no time to communicate with the Mauritius, even about the hospital ships, and to get a reply.

2455. *Chairman.*] With respect to the hospital ships, would you not have been very thankful if you had any of our old wooden three-deckers out there for hospital ships?—I think, with my experience, it would have been very undesirable to have had any very large wooden ships there as a depôt for the sick with all sorts of complaints on board, without ready facilities for moving them. The sooner a sick man was out of Annesley Bay the better.

2456. Would you not have had far more appliances for ventilation in one of those old ships, than in any ship that you had there?—The height between the decks of those large iron ships is greater than in a line-of-battle ships, with her wooden beams, with great rents in them above and below, and then you have not quite the same clean sweep, though you have fresher air and more ports for the men to sit at.

2457. But you might have had as clean a sweep as you pleased, might you not?—I think there have been reports against three-decker hospitals, and as a rule if fixed hospitals are required, they are better on shore than afloat.

2458. We have them in the Thames, have we not?—Yes, but that is a good climate. No mules could live packed in vessels in Annesley Bay, and much less men who were ill.

2459. Sir *John Hay.*] Was it not considered that as the hospital ships became filled, it was desirable that they should not be vessels of too great a size, so that they might be sent away to a better climate?—Yes, and that was in fact done. We sent them to Suez, and we also once sent one out for a cruise.

2460. What would have been the necessary crew of such a ship as the honourable Chairman alluded to, had it been necessary to send her to sea with the sick?—I do not think that you would send a three-decker to sea with a crew, merely to navigate her, amounting to less than 350 or 400 men.

2461. *Chairman.*] But you would have got the ships for nothing, would you not?—You could not have got them to Annesley Bay in time, and I think that the report of our medical men, if I remember rightly, is against using such vessels the expense of fitting such a vessel is not inconsiderable.

2462. Are you aware that those hospital ships cost somewhere about 3,000 *l.* a month?—It was an immense cost.

2463. Sir *Stafford Northcote.*] But were not hospital ships very important for carrying out stores to Annesley Bay?—They were very useful for carrying out stores to Annesley Bay. They were in my opinion the most useful adjuncts, and we saved many lives by the use of hospital ships, and their value would have been infinitely less had they been stationary vessels.

2464. *Chairman.*] Could you not have had the "Collingwood"?—My impression is, that she could not have got out there in time.

2465. You found the greatest advantage, did you not, from the steam transports which were drawn from England?—Yes.

2466. And they were there in very good time, were they not?—They were there in very good time.

2467. They were there in November, were they not?—They were there in November.

2468. And the steamers which you had there did six times the work of any sailing vessels, did they not?—Certainly, largely in excess.

2469. Would it not have been a judicious thing to have drawn more largely upon the steam resources of England?—I think in answer to that question I may say that it was considered by myself, amongst others at Bombay, that we had ample steam power, and it only ultimately appeared that we should have been glad of having more; we are speaking now knowing all the results of the expedition when perhaps it would be right to say that if we had had more steam power it would have been better.

2470. Sir *Stafford Northcote.*] Was it not the fact that you were misled as to the amount of steam transport which would come from Calcutta?—I never had a fair estimate of what Calcutta could contribute, but I know that the resources of Calcutta as to tonnage was much less than was expected.

2471. *Chairman.*] But you know that you got more than twice the amount of transport which was in the first place reckoned to be necessary?—I think that I have already shown that there was an enormous amount of tonnage kept in pay, more than there otherwise would have been, had we not detained the vessels so long in the Red Sea, and consequently there were more ships taken up.

2472. Sir *Stafford Northcote.*] Then it is not within your cognizance that the estimate formed at Bombay of the amount of tonnage which Calcutta would be able to supply, was disappointed by the result?—I remember the Governor of Bombay telling me that he was astonished at the small resources of Calcutta with reference to tonnage, and I also read a paper on the subject.

2473. *Chairman.*] Was it not a part of your original plan that you would require a very large amount of sailing tonnage?—Yes.

2474. Did it not then occur to you that the more profitable course would have been, knowing as you did, the conditions under which you could navigate the Red Sea, to have procured steam, rather than sailing tonnage, and have got it from England?—I think, certainly not, because no one would think of sending that immense amount of hay in steamers, knowing that you could not have landed or stored that hay as rapidly as you could throw it into the bay; it is much cheaper to make sailing ships store ships, than to make steamers store ships.

2475. If you had to buy steamers to tow sailing ships, I think there would not be very much in that arrangement; you paid an enormous amount for towage, did you not?—The cost entailed by towing was great.

2476. If you had had steamships from England of from 700 to 1,000 tons, at the rate of from 700 *l.* to 1,000 *l.* per month, you would have had those ships at a lower rate than you had the tugs, would you not?—My belief is, that very few

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few vessels of that class are suitable for carrying a considerable cargo against the monsoon.

2477. Are you acquainted with our steam mercantile marine?—Yes, I consider I am. I do not know very many vessels which would deliver very large cargoes of hay, which is so very bulky, owing to the space which it occupies as compared with its weight; I think it most undesirable to carry hay in steamers circumstanced as we were.

2478. Are you not aware that a steamship of from 800 to 1,000 tons will really have as much cargo space as a sailing vessel, and carry at the same time about five days' coal?—Five days' coal would be of no use in this case at all; it is a 12 days' passage, at least, from Bombay to Aden, against the monsoon.

2479. Then the increase of the coals would merely involve a reduction of the cargo space, would it not?—It is not easy to arrange it; you would have to make extra bulkheads, and to build bunkers, and all that sort of thing.

2480. Is it very difficult to arrange bunkers and build bunkers?—It is difficult; to keep the coal separate from the cargo, I imagine that you must make a separate bulkhead; and probably cut through an iron bulkhead and alter trim; you could not start with a deck cargo. You must consider you have to steam against half a gale the whole way, perhaps, and at least against a double-reefed-topsail breeze.

2481. Sir *James Elphinstone.*] Is it not contrary to all medical opinion to congregate large masses of sick men in one ship?—I should think it very unadvisable. From all I have read of reports on the subject, I think an opinion is very strongly expressed against it.

2482. Was there not a great deal of sickness in Annesley Bay from debilitating disease, or from disease induced by the debilitated state of the people, from the excessive heat of the climate?—Yes. The worst type of disease which we had amongst the natives was called *berri-berri;* it was due to the heat, and keeping people stationary in one spot so long; it is a species of scurvy; their feet swell, and it extends upwards, and they die. A considerable number died from it.

2483. How many died on board one ship?—I think in one case 19 out of 64 died, and the rest suffered much,

2484. The *berri-berri* is a sort of elephantiasis, is it not?—It is a sort of elephantiasis, or it is more like dropsy.

2485. If you put your finger on it it leaves an impression, does it not?—If you put your finger on it the impression of your finger remains.

2486. Sir *Stafford Northcote.*] Had you reason to discover that the dollars were the only coin which the Abyssinians would receive in payment?—I heard so frequently, and the official reports from that country state it in Colonel Merewether's first letters.

2487. Mr. *Christopher Denison.*] Does that apply to Massowah also, or only higher up the country?—I think, so far as I know, to up the country, and on the shore at Zoulla.

2488. *Chairman.*] What suggestions would you make as an improvement upon your operations during the late Abyssinian expedition?—I can make no suggestion as to my own department; I can show you the work of every ship; I believe that all were fully employed.

2489. It is your personal impression that there was no extravagance?—My impression is, that there was none. I do not know of any.

2490. And no mismanagement?—My opinion is, that there was none. I remember reading, in "The Times," a statement which said that it reminded the correspondent of Balaclava, without the confusion, and I think it was so myself. I think that we had no confusion or disorder, and I think that it was well done.

2491. Sir *John Hay.*] You were, yourself, present in the Black Sea, and you saw the operations there, so that you are well able to compare the two, are you not?—I am well able to compare the two. I was in the Black Sea or ashore, throughout the campaign.

2492. *Chairman.*] You are speaking of executive operations, are you not, but not of commercial operations?—I am merely speaking exactly my impression, and what I know.

2493. You did not buy anything, and you did not charter anything, did you?—I only made one agreement with a vessel.

2494. And you had nothing to do with the contracts for supplying the expedition, had you?—No.

2495. You are speaking from a professional point of view, are you not?—Yes; and from the opportunities I had at Bombay and Zoulla of knowing what was going on.

2496. Colonel *Barttelot.*] As I understand you, considering the number of men and stores which had to be conveyed from Bombay to Annesley Bay, you could not have done with less transports than you had?—No; I do not think that there was a transport detained after she was cleared a single 24 hours in Annesley Bay without a good reason; there was no ship dispatched which was not clear except after getting an official document from officers who were responsible, to show that the cargo could be sent to Suez, or wherever she was required to go for a very urgent reason.

2497. *Chairman.*] Some of those vessels were discharged at Bombay, some at Calcutta, and some at other ports; did you not send some to Bombay, whose charters provided that they should be discharged at Calcutta?—Yes, a considerable number of vessels were purposely sent so.

2498. Then they would have to go to Bombay, wait for discharge at Bombay, and go on to their port of destination, would they not?—They discharged their troops at Bombay, and they would then have to go on to Calcutta.

2499. Was there any lack of tonnage at Bombay?—No; those ships were specially qualified for the troops they carried, and there were no other ships available for those troops. This arrangement was caused by the Calcutta brigade being sent to Bombay instead of being carried back to Calcutta.

2500. Sir *James Elphinstone.*] Did you happen to hear, in the course of conversation at Bombay, that the mercantile freights had gone up very high?—Yes.

2501. I suppose that you are not in a condition to give the Committee any particulars as to that?—Not the quotations.

Friday, 30*th July* 1869.

MEMBERS PRESENT:

Major Anson.	Sir John Hay.
Mr. Candlish.	Mr. Holms.
Mr. Christopher Denison.	Sir Stafford Northcote.
Mr. Eastwick.	Sir Patrick O'Brien.
Lord Elcho.	

JOHN CANDLISH, Esq., IN THE CHAIR.

CAPTAIN GEORGE TRYON, R.N., re-called; and further Examined.

Captain *G. Tryon*, R. N.
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2502. *Chairman.*] Do you wish to make any corrections in the printed Report of your evidence before this Committee?—I wish not exactly to correct, but rather to amplify some of my answers to the questions addressed to me, as, without some further explanation, some of the answers do not appear to be quite clear.

2503. Will you state what alterations or amplifications you desire to make?—Question 2175 was as follows: "Did the Government supply coals for the purposes of the crews on board the steamers"? I wish my answer to read thus: "I think that the Government does not. The ships chartered in India were not under the same regulations as vessels chartered in England; but I cannot call to mind any order on the subject in the charter-party; coals and provisions for crews go together." To my answer to Question 2209, I wish to add, that captains of steamers were responsible for the issue and consumption of all Government stores on board, coal included; and what was used, and what received, and what remained, was carefully gone into before a vessel received all her pay. With regard to the provisioning of the transports, I wish to add to my answer to Question 2238, the statement that the scale of, or issue of, provisions, &c., was a simple one, capable of being easily worked and checked, and that the printed forms would show the system at a glance. And to my answer to Question 2243, I wish to add the statement that, besides, the deductions from the pay of officers on mess account were made on the Indian scale; to my mind it was not fair, either to officers or owners. At Question 2274 I was asked to mention the ships which were discharged at Annesley Bay. I wish my answer to that question to read thus: "There were a few coal vessels, two freight steamers, and the 'Buglas,' which conveyed forage and animals from Bombay." At Question 2276 I was asked to mention the number of the ships discharged, and I wish my answer to stand thus: "According to my information, there were three coal ships (freight used), the 'Leamington,' 'Astracan,' and 'Morning Light,' and the 'Columbine,' and 'Vine' steamers freighted from England direct, all discharged according to the terms of their agreement; the 'Vine' was specially engaged afterwards to go on to Bombay." I wish my answer to Question 2281 to run thus: "There were engaged during the expedition, according to my information, 12 freight vessels, including those abovementioned; the others are the 'Talisman,' engaged for the trip from Muscat to Aden, to convey donkies, &c.; the 'Tuthel Barry,' to carry forage; the 'Atiet Rahmon,' to convey mules and forage from the Persian Gulf to Aden at per trip; the 'Ellora' and 'Sakuna' steamers employed on the coast of India only; the 'Krishna,' engaged at a rate per month, but to be discharged by a particular date, and only employed for one trip; the 'Antonie Dor,' discharged at Aden, a coal vessel. If the question embraces the cases of five of the first vessels chartered, the 'Great Victoria,' 'Star of the North,' 'Atmosphere,' 'Queen of Australia,' and 'Hydra,' they were chartered for six months certain, and the port at which they were to be discharged was not mentioned in their charter-party; but Commodore Young told me that it was distinctly understood by him to be Bombay, and that Bombay was implied; the charter-party was framed on that used during the Persian Expedition; however, the case never rose for consideration, as the four first-named vessels were employed in the Red Sea to bring animals from Suez, &c., and were required to re-embark the force on its return to India, and could not even be spared; the 'Hyderee,' the fifth vessel, was dispatched from Zoulla for Bombay in tow of a steamer, to be taken 800 miles on her way, three weeks before the fixed time for which she was chartered expired." To my answer to Question 2284, I wish to add, that the tonnage required for men and animals was all required to re-embark the force, that all was used, and that there were no spare ships. To my answer to Question 2285, I desire to add, that it would obviously have assisted me greatly, if I could have discharged vessels at Annesley Bay, and I only wanted to know whether it was in my power or not to do so; the power alluded to was not retained in any charter-party. To my answer to Question 2288, I wish to add, that I thought all charter-parties ought to mention the circumstances under which ships could be discharged; but apparently in India it had not been the custom to make the charter-party so complete a document as we do at home, and there practice and custom, and arrangements made with owners, supplied what was wanted; but in this expedition

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expedition Government agents at Aden, Suez, and elsewhere would not know the practice, or know what to do if the port of discharge was not mentioned. I wish my answer to Question 2292 to stand thus: "I do not myself think that I had ever, by their charter-parties, the option of discharging in Annesley Bay, and if I had I could not have spared them: they were fitted for animals, and were required for the service." For my answer to Question 2320, as to whether any sailing vessels were chartered giving us the option of discharging them at Annesly Bay, I wish to substitute the following answer: "No; the cases of the freight vessels have been explained in answer to Question 2981." To my answer to Question 2323, I wish to add this: "The 'Hyderee,' a smaller vessel, was an exception; her tanks were required, and, being a smaller vessel, she was returned to Bombay." For my answer to Question 2324, as to whether I felt myself at liberty to reduce the sailing tonnage in Annesley Bay, I wish to substitute the following answer: "Yes, but only by clearing vessels. I could dispatch any empty vessels, and did so; none were detained which were not required." I desire to substitute the following for my answer to Question 2328: "There were no restrictions to that effect. I furnished returns, and so soon as a vessel was emptied I dispatched her at once on further service in the Red Sea, or back to Bombay." To my answer to Question 2329, I wish to add, that we were in constant communication with the Commander in Chief; he was perfectly cognisant of everything, and we were kept informed of the requirements of the force. To my answer to Question 2332, with reference to the abandonment of provisions, I wish to add the following: "But by far the greater portion of all returned to Bombay was not landed, and it was not possible to land it." To my answer to Question 2337 I wish to add, that much more tonnage was thrown into Bombay Harbour all at once at the end of the expedition, in consequence of the number of animals sent having been much greater than was originally contemplated, increasing the difficulty and cost of clearing vessels. Question 2344 is as follows: "Did the commander of your flag-ship proceed to Magdala"? For my answer to that question, as printed, I desire to substitute the following: "To the best of my belief, certainly not. I gave the master of the 'Euphrates' leave on one occasion to go on the high lands, and to keep within range of the telegraph; I think he had, perhaps, with the additional leave given him, 10 days. I wish I could have given more leave. It must be remembered that no Europeans were detained the whole time at Zoulla except those connected with the transport department, and a very small staff on shore, and many of those invalided. No European troops were allowed to remain there; and, I believe, by giving the very few I could leave, I did much good. I consider that no people had a more arduous time of it than some of the captains in the transports, particularly those in the condensing vessels. If I had, with my present experience, to begin again, I should wish to give much more leave, and I should endeavour to get a few tents pitched at Senafé for those who could be spared from the bay. We could not have gone on much longer as we were. To my answer to Question 2368, I wish to add, that many more vessels would have made more than one voyage from Annesley Bay to Bombay, had we not been compelled to employ so many early in the year in the Red Sea, to bring animals to Zoulla. I wish my answer to Question 2394, as to recommendations with regard to any future operations similar to those of the Abyssinian Expedition, to stand thus: "I think we see by this expedition that, unless we keep up during peace certain fixed establishments capable of great expansion so as to be equal to meet the requirements of an army in the field, enormous cost is entailed, and perhaps the highest interests of the country are jeopardised, for we have at the commencement of the war to wait till a lavish expenditure and great energy have compensated for the want of a fixed organisation. In a sea so little known, the proportion of steam to sailing transports ought to be large. Sailing vessels may be cheaper, but they entail a steamer to look after them in so many instances that, though they may be cheaper in the first instance, they may be dearer in the end. But in this instance only circumstances already alluded to as being beyond all foresight, cause me to say that we should have been glad of more steamers." At Question 2395, I was asked, "Is there any other recommendation which you would make with regard to the future"? I should wish my answer to that question to stand thus: "The question is a very large one, and I am not prepared at this moment to reply to it fully; but I think the case is very well understood, and that, so far as the naval transport service is concerned, it ought always to be conducted by a special staff, and all to be under the entire control of one officer; that all vessels, whether chartered either at home or in the Colonies, or in India, should, as a matter of course, be under the same rules and regulations as are approved at home, and are now well known to owners; that all adjustment of account should take place at home or at the port of discharge or where chartered. This is much as it was in Abyssinia; and if I am to believe, what I am told, all were satisfied; and it is only by such a system that efficiency and economy, compared with previous wars, can be secured." Question 2426, is this: "In answer to Question 2141, at page 113, you have stated, and you to-day repeat, that you pointed out at an early date to Sir Robert Napier, that with reference to expense alone, it was not worth while to retain tonnage at Annesley Bay to carry away animals at all, and that it would have been cheaper to throw everything away; when you gave that opinion, had you in contemplation the engagement of fresh tonnage, and did you take into account, at that time, the fact of most of the vessels being chartered, for a period of six weeks or more"? My answer to that stands as follows: "I simply pointed this out, because I calculated the value of a mule at the market at which it was originally purchased, and the cost per month of detaining the tonnage, expressly to take that mule away. It referred to animals more than to stores." I wish to add to that, "I also took into account the saving that would occur if tonnage was returned to Bombay; it would have saved, at all events, the chartering of other vessels also, with a view of having the least amount of tonnage under pay at the same time. If they had been returned to Bombay, if their time had expired, they could have been discharged; if it had not they could have been loaded

loaded with stores. It was never possible however to do much in forwarding this view." Then I desire to add to my answer to Question 2444 the statement, that I cannot imagine anything less desirable than to have great floating hospitals in such a place as Annesley Bay; if fixed hospitals were required they ought to have been placed on the high lands, and not in a bay stinking of putrid fish spawn, when calm, in the hot weather. No Europeans, when well, were allowed to remain there unless absolutely required. With regard to Question 2458, as to the use of three-deckers for hospitals in the Thames, I wish to say that, if I remember rightly, the returns from the three-decker hospital in the Thames are not, comparatively speaking, very favourable. To my answer to Question 2459 I wish to add that, had the expedition lasted longer the hospital ships would have been oftener sent out to cruise. It was better to retain the sick on the high lands than to put them in a hospital at Annesley Bay, and to keep them there till the vessel was ready to sail with a batch of sick. To my answer to Question 2475 I wish to add that, in the first instance, there was a very fair proportion of steamers to sailing vessels. We did not reckon that we should always have to keep four steamers for condensing purposes alone in Annesley Bay. The work these steamers would have done, if not thus employed, is very considerable. Question 2479 is as follows: "Then the increase of the coals would merely involve a reduction of the cargo space, would it not"? I wish to substitute the following for my answer to that question: "It is not easy to arrange it; it is not such a trifling matter as you may suppose: you would have to make extra bulk-heads and to build bunkers, and all that sort of thing. Supposing all the tonnage required had been entirely in steamers, I question whether there would not have been a great difficulty about coal, whereas we knew we had a fair wind to the port of debarkation, and one steamer could tow easily two sailing vessels there: as it was, our coal at Aden at one time was reduced to a few hundred tons." To my answer to Question 2489 I wish to add the statement, that my firm impression is that we owe the success of the expedition, in a very great measure, to the means which were taken to secure it, and that if they had been less, in all probability it would have been necessary to have abandoned the enterprise, or to have tried again another season, which would have entailed a treble expense at least, and the difficulties up the country would have been greater.

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Rear Admiral William R. Mends, C.B., re-called; and further Examined.

Rear Admiral *W. R. Mends*, C. B.

2504. *Chairman.*] You stated the other day, that the "Minia" was not accepted because she was at Glasgow?—The "Minia" was at Glasgow, but I do not know that I rejected her solely on that account.

2505. She was not taken because it was said that it would be 10 days before she would be ready?—On the fourth page of her tender, it was stated that she was under additions and alterations, which would occupy 10 days to complete; I am putting in a full statement of all the shipping tendered.

2506. I have a note in my hand from the owner of one of the vessels tendered, the vessel being at that time at Antwerp, the "Ottawa"; she was rejected because she was at Antwerp; did the owner then offer to bring her to the Thames that she might be surveyed in the Thames forthwith?—Very likely, but I cannot say from memory.

2507. Did he also offer to pay the expenses of a survey if you would send a surveyor to Antwerp?—I cannot say from memory.

2508. Is it correct that a ship which you accepted, the "England" or the "Queen," was, at the time when she was accepted, not ready, but was only expected to arrive at Queenstown?—I think one ship was expected within 12 hours, which was ordered for survey if in the Mersey by a given time.

2509. Do you remember where she was from?—I think from North America, but I am not quite sure.

2510. Then was she accepted whilst on her passage from North America?—She was accepted after survey; when a ship is tendered we order a ship for survey, if tendered in full accordance with the specifications issued under the advertisement.

2511. This ship being on her passage from North America could not be tendered in accordance with those specifications, could she?—I think we had a telegram, "will be due to-day," or something of that sort, and she being a good and very desirable ship, and a sister ship to one already selected, I think I decided that she should be ordered for survey; it is either the "England" or the "Queen," I am not quite sure which.

2512. Was that at the same time that you rejected the "Ottawa" at Antwerp?—Very probably, but I am not sure.

2513. Were you then aware that the "Ottawa" was a new ship?—I was not aware of it, *i.e.*, I do not recollect it, but the tender shows the age of a ship.

2514. And a very fine ship?—All that will be stated fully in the return preparing for the Committee.

2515. Are you aware that she has since been sold to a Glasgow firm, and has been carrying the mails satisfactorily between Glasgow and Quebec?—Very probably; but I do not know.

2516. How long afterwards did this ship arrive which was accepted previously to her arrival at Queenstown?—I do not remember the date, but no ship was accepted without survey.

2517. We shall get those facts, I presume, from the owner of the ship?—You will get those facts clearly and in full from the return which we are now preparing. We are sending in the tenders of all ships, with all the correspondence relating to them, the orders issued upon them, the dates when they commenced fitting by the Government, the dates when they came on pay, and their dates of sailing.

2518. Will that apply to ships rejected?—To every ship.

2519. Will the correspondence which resulted from those tenders be sent in?—It will; every letter which came to us.

2520. Do you remember that the "Otttwa" was

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was built by Messrs. Laird Brothers?—I do not.

2521. Do you remember the name of the owner of that ship which was accepted previously to her arrival?—The "Queen," the "England," and the "France" were tendered by the Messrs. Begbie, brokers; I do not know the owner.

2522. She belonged to the National Steam Company of Liverpool, did she not?—I think so.

The Hon. ROBERT DUNDAS, re-called; and further Examined.

Hon. *R. Dundas.*

2523. *Chairman.*] YOU stated, on the 16th of July, that the Admiralty engaged for coals at so much per ton delivered at the Cape of Good Hope?—Yes; not at a fixed price per ton, for it was at a price which included the charges for freights, and all the expenses.

2524. As to the exception which you mentioned in answer to Question 1411, what vessel was it, and what was the condition under which she was chartered?—I also stated to you (which would be much more satisfactory evidence than anything that I could give from recollection) that the official documents showing the terms upon which the vessels were engaged, are in the Admiralty Office, and I have no doubt they can be produced, if the Committee require it from the Admiralty.

2525. Do you remember what ship that was?—Yes, it was the "Union."

2526. Was she tendered as a transport?—I do not know at all.

2527. But she was afterwards engaged to carry coals to the Cape, was she not?—I am not quite sure whether it was afterwards or before; I cannot speak from memory.

2528. Was she chartered on the condition to deliver coal at per ton?—No.

2529. She was chartered at a rate per ton out and home on the tonnage of the vessel?—No; she was engaged to take coals to the Cape of Good Hope, and to be employed for a given time upon the voyage out and home, if I recollect the terms of the charter correctly; but she was not engaged upon the terms of the other vessels which were to be paid in proportion to the quantity of coals delivered out of the ship, and with also an engagement or a promise, as I may call it, that there would be a gratuity paid to the master in proportion to the greater quantity of coals which were delivered.

2530. Were not most of those steamers engaged by Messrs. Gillespie & Scott?—The whole of them.

2531. Did the terms of their engagement come to your knowledge?—Yes, at the time.

2532. Will you state the varience in the terms on which this ship was engaged?—I do not wish to state it upon recollection, as I may not be perfectly accurate, and I have no doubt you may have some documents given to you by persons who know.

2533. I need not say that I have no desire to entrap you; the fact is given to me that she was chartered, on time, to carry coals there, and that the time which she occupied raised the price of the coals which she delivered to 11 *l.* or 12 *l.* per ton at the Cape; do you remember if that be correct?—I have no doubt whatever that the price of the coals, up to the time of delivery at the Cape of Good Hope, was very high, but I cannot state the exact price from recollection. I also know that part of the agreement was for a home freight, and the only vessel, as regards which the opportunity, so far as I believe, occurred for making any such arrangement, included a provision for a home freight. If that arrangement, which was the foundation of the agreement, had been carried out fully, as was expected and hoped for at the time the vessel was engaged, and had not been partially interfered with by local circumstances at Table Bay, the full amount of the home freight of the cargo (I believe it consisted principally of wool; but I do not know the full details) would have been credited to the Admiralty, and I believe the price of those coals would have been even less than of those carried by other vessels.

2534. Did she bring a cargo back?—Partially.

2535. Was it an inadequate cargo?—It was an inadequate cargo; the whole of the circumstances are explained in official documents.

2536. Can you tell the Committee to what price the whole operation brought the coals per ton at the Cape?—Yes, a little above 9 *l.*

2537. Not 12 *l.*, nor 11 *l.*?—No, because the home freight was credited to the Admiralty; it brought it down to what I tell you, and it was that high price upon between 700 and 800 tons of coal which was delivered that raised the average price of the whole of the cargoes sent by steam to the Cape. But for that, the cost of the coal sent by steam to the Cape would, I most strongly believe, have been very moderate.

2538. The figures showing that transaction will be at the Admiralty, I presume?—Yes, the full figures.

2539. Will the Admiralty also know how many coals were taken, at the Mauritius, on which a gratuity of 2,000 *l.* was paid to the contractor, and also how many were taken at the Verde Islands?—The whole of the information can be obtained from the Admiralty.

2540. Had you an offer at any time about the commencement of the preparations for a supply of all the coals which you would consume in the Red Sea at 60 *s.* a ton, or thereabouts?—Not that I recollect; I recollect offers (but from whom they came I do not recollect) to supply the Government with coals subsequently to the arrangements made by the Admiralty: I, for one, placed not the slightest confidence in these offers; there was no security that I know of that even if they were entertained they would lead to any practical result; and I was decidedly of opinion (but my opinion, of course, was subject entirely to the authority of the Board of Admiralty in the matter), that it would have been most highly inexpedient and improper for the public interest to entertain any offer from anybody whatever, after the course had been decided upon and adopted by the Government to empower the Peninsular and Oriental Company, who had their plant and all their arrangements necessary for doing the service, the Admiralty being totally destitute of any means whatever of doing it at that time: I, myself, was strongly of opinion that it would have been

been highly inexpedient to have entertained competing offers from anybody whatever.

2541. There were some such tenders or offers, as I understand you?—I am speaking from recollection, but I am not sure that there was not more than one.

2542. Was the respectability of the parties making such offers inquired into?—I am not certain that I did not know all about them myself.

2543. Then there was not an inquiry?—Not that I recollect; I do not believe that it was necessary to have any inquiry; I believe that it was perfectly well known who they were.

2544. Then, from your own knowledge, did you reject those offers as coming from insufficient persons?—Not at all; they were rejected upon the principle of which I have spoken, viz., that the Government having determined to avail themselves of the facilities and economy of the arrangements of the Peninsular and Oriental Company, did not wish to excite competition in the home market against themselves and against the company.

2545. But had you not an offer that covered the whole of your possible consumption of coals in the Red Sea at 60 *s.* per ton?—No, I have no recollection of it; I have no recollection even of any price being named.

2546. But were not some offers made?—Yes.

2547. Were they rejected on a question of policy?—As far as my judgment went, decidedly so.

2548. And not on a question of price?—No.

2549. The policy being that the Admiralty judged it inexpedient to enter into any other arrangements for coals than those which they could make, relying upon the Peninsular and Oriental Company; was that so?—I believe that to have been the ground of the decision of the Government.

2550. You spoke of your own knowledge of the parties tendering, did you not?—I cannot speak of my own knowledge of the parties tendering, at this moment, for the simple reason that I really do not recollect who they were.

2551. But the fact is present to your mind, that there were tenders; and the impression upon your mind now is, that the parties were respectable; is that so?—I did not raise any question at all about the respectability of the parties.

2552. *Lord Elcho.*] At the time that those tenders to which the Chairman refers were made, had you entered into an agreement or understanding with the Peninsular and Oriental Company upon the matter at all?—It was subsequently. When it was known in the City that the Government intended to avail themselves of the services of the company, every description of speculator was disappointed. There was no fixed agreement as to price.

2553. Sir *John Hay.*] But the Peninsular and Oriental Company had coal at Aden, where we wanted it; they had stores to store it in, which no one else could have; and they had lighters to put it on board the ships; and the tenders to which the Chairman alludes, were from persons who were to ship coal and send it from England, I presume?—Undoubtedly; and there was not the slightest security that I know of, that the coals would have been delivered at any price which was named (but I do not recollect any price), or that the coals would have been actually delivered on board the transports hired by the Government, or the Queen's ships, or any other vessel in the service of the Government at the price agreed for in London.

2554. The fact was, as we ascertained, that the Peninsular and Oriental Company had a very considerable amount of coal at that moment water borne on its way to their depôts in the East, which they placed at our disposal, proposing to send extra supplies on for their own wants; is that so?—Yes.

2555. And the coal being so far on its way was of course more convenient for the rapid and immediate use of the service, than any coal which could have been contracted for at any price whatever in England which could not have arrived in time?—I believe that the papers which have been printed, show that the company did what they could to obtain possession of all the cargoes afloat, besides their own, at moderate terms for the service of the Government, and it totally failed.

2556. *Chairman.*] Was not the tender to which I am adverting, to deliver coal at Annesley Bay?—I cannot state from recollection.

2557. Was it not to take coals to any part of the Red Sea?—I state again that I am unwilling to enter into details from memory.

2558. What was the Peninsular and Oriental Company's nearest coal depôt to Annesley Bay?—Aden and Suez are the nearest depôts, undoubtedly.

2559. You stated, did you not, that you yourself made an estimate of what our coals cost per ton, on an average, at Annesley Bay?—No, I made no such estimate.

2560. The prices which we paid for our coals were the prices at the depôt at Aden, were they not?—No; the price which has been given, I believe to be the price paid for the coals delivered on board the transports, or on board Her Majesty's ships.

2561. At Aden, or Bombay, or Suez?—At Aden or Bombay, I believe.

2562. Then to that price would have to be added all the cost of transport to Annesley Bay, would it not, in order to get at the price of the coals at Annesley Bay?—I am not myself acquainted with the local arrangements in India.

2563. So that if there was an offer to supply coals in any part of the Red Sea at 60 *s.* per ton, that would be in contrast with the price paid at Aden and Bombay, *plus* the expenses of taking that coal to the Red Sea, would it not?—But I have no evidence that the coals would have been delivered at Annesley Bay at the price you mentioned.

2564. Sir *Stafford Northcote.*] The arrangement with the Peninsular and Oriental Company was made, was it not, before we knew anything about Annesley Bay?—To that question I am not in a position to give an answer.

2565. Was it not made at the very commencement of the expedition, in the later days of August?—It was certainly made between the 22nd and the 24th of August.

2566. At that time no place of landing had been decided upon, had it?—Not that I know of.

2567. In point of fact, are you not aware that at that time it was quite uncertain whether the expedition would even be dispatched from India to the Red Sea?—Of my own knowledge I have not sufficient authority to give you good answers to those questions; I only know in a general way

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way; I had not public and official knowledge at that time.

2568. Was it not the nature of the arrangement between the Government and the Peninsular and Oriental Company that the Peninsular and Oriental Company should fill up their own stores to a considerable amount, with a view to supplying the Government in the event of the Government demanding coals from them?—Yes.

2569. If the Government had for any reason found it unnecessary to make any great demand upon that supply of coals, these coals would have remained the property of the Peninsular and Oriental Company, would they not?—Undoubtedly.

2570. Then I presume that some arrangement must have been made between the Government and the company to compensate the company for any extra expense which they had incurred by laying in more coals than they required, but the Government would not have been responsible for all that additional quantity of coals?—Most undoubtedly.

2571. But, supposing that the Government had at that time entered into a contract with any private individual to send a large quantity of coals to Annesley Bay, in what position would the Government have been, supposing that the expedition had not taken place, and the coals had not been required?—They would have been, only to a much greater extent, exactly in the position in which they were at Constantinople at the conclusion of the war in Russia, with a large store of coals remaining on their hands which cost a considerable amount at the time, and while the war was in actual operation, but which at the conclusion of the war, of course, immediately fell in market price, and were disposed of on the best terms which could be got for them, but at a considerable expense to the Government at home; it would, in fact, have occasioned a serious loss of money.

2572. So far as you can remember, do you recollect any tenders being made by other persons to supply coals for the service of the expedition until after the expedition had actually commenced?—Certainly not.

2573. Nor until after we knew that a portion of the troops had actually gone to the Red Sea?—It was most undoubtedly after the announcement of the intended expedition, which of itself of course called forth all speculators and commercial men desirous of obtaining a share in the contracts.

2574. But there are two distinct points; of course when it was known (which was in the month of August) that an expedition was in contemplation, that would have induced persons to come forward and make tenders; on the other hand, at a later period, when it was known that the expedition had actually commenced, and persons were able to judge with some certainty where supplies would be required, there would be a different inducement and a different mode of competing as to tenders; can you remember whether any tenders for the supply of coals were made before the circumstances of the expedition and the fact of its landing were made known?—No; I have no recollection of it.

2575. With regard to the tenders which were made after the expedition had landed, was it not the case that the Government were already, to a great extent, committed to the Peninsular and Oriental Company by the arrangements which had been made in the beginning?—Most certainly.

2576. Would it have been altogether convenient or fair to the Peninsular and Oriental Company, after having made that arrangement with them in the early days in August, to have let in contractors at a subsequent period, say in the month of December or January?—I consider that it would have been a great injustice, and that it would have constituted a very sufficient ground of claim upon the Government by the Peninsular and Oriental Company for any reimbursement of expenses incurred on account of the Government which afterwards were interfered with by arrangements with other people in substitution of those made with the company.

2577. In comparing, therefore, the arrangement which was actually made with the Peninsular and Oriental Company with the offers which may have been made by any other parties, is it not of great importance to take notice of the precise period at which those offers by other parties were made?—It must depend very greatly upon the time at which the offers were made.

2578. *Chairman.*] Such tenders as I have been referring to would be in writing, would they not?—Yes.

2579. Will all or any of such tenders be at the Admiralty now?—Yes.

2580. Major *Anson.*] Is it not a fact that it was a matter of very great inconvenience to the Peninsular and Oriental Steam Navigation Company to supply us with coal in the Red Sea?—I cannot myself, of my own knowledge, speak of the extent, more or less, of the inconvenience to the company in supplying the Government; but it, of course, must have necessitated an increase of expense and in the number of people they employ.

2581. Were they not very reluctant to do it at first?—They were most reluctant to engage to do it at any fixed price.

2582. Can you speak to the fact as to whether they would have been very glad to have terminated any agreement, or if the Government had accepted any other tender or offer for the supply of coals?—I myself have no doubt that, if the Admiralty had never applied to them at all, and had been able, without inflicting any extra expense upon the company, to have made their arrangements for the service of the Government in the Red Sea, without reference to the Peninsular and Oriental Company, that company would have been perfectly content to have had nothing to do with the service of the Government; but I also think that, under any circumstances, the expedition, if the company had not undertaken to supply the Government, would have inflicted a very considerable additional expense upon the company by the extreme extent to which it would raise the general price of freight, and consequently the expenses of the company, for their ordinary supplies.

2583. Did the Admiralty make any inquiries of the Peninsular and Oriental Company with regard to that when those offers were made?—The company themselves have stated it in writing, and it appears amongst the official documents upon the subject.

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MINUTE by the Right Honourable Sir *W. R. S. Vesey Fitzgerald.* App. No. 1.

Malabar Point, Bombay, 9 April 1869.

THE mail of this week has brought the London papers, giving an account of what passed in the House of Commons with reference to the expenditure for the Abyssinian Expedition. The tendency of the remarks made is to charge the Government of Bombay with inaccuracy, delay, and extravagance. The Prime Minister, while apparently half-inclined to join in this formidable indictment, has said, however, that he must have further facts before him, before he passed his judgment. For my own part, I can desire nothing better than that the proceedings of this Government should be investigated in their minutest details, but such an inquiry is, I am afraid, not probable. Meanwhile much time may elapse before the complete figures can be on the Table of the House, and I have been too long a Member of it, to be indifferent to its adverse judgment, even for an hour; and I am anxious therefore, as shortly as I can, to state what I should say, if I were present in the House, and what I would wish urged in my behalf, if an opportunity offers.

The charges appear to be, that the Government of Bombay has committed the country to an expenditure "monstrously" differing from their estimate; that they have failed since the close of the Expedition to send a proper account of the actual cost; and that the expenditure has been reckless and extravagant.

As regards the first point, I wish to say that at no time have I ventured to give any estimate of the probable cost. The preparations had not been commenced a month, before it was obvious to everyone here, that it was impossible to form even an approximate estimate; and if I had been required to give one, I should have declined.

We were called on to make provision for 40,000 men and 30,000 animals, and it was necessary that this should be done at once, and without the least delay, to ensure the early departure of the Expedition. A sudden call of this magnitude deranged the prices in a way to defy calculation, so that we were driven to have recourse to the most distant markets. Further, from the complete ignorance that existed as to the country whither the force was sent, everything had to be provided, not only food for the troops and followers, but hay for the animals, and even firewood for the men. Even at home, where there is nothing that cannot be procured from manufacturers accustomed to supply the ordinary demands of the market, our task would not have been an easy one. But here articles had to be provided, the manufacture of which was unusual, and almost unknown. For instance, when the preparations for the Expedition were commenced, there were but 13 spare water-tanks in the dockyard. We had to provide, and did provide, in an incredibly short space of time a sufficient number to carry more than four millions of gallons of water, though I was told at first by the contractors that so unusual was the manufacture, that no contract could be taken for the supply of more than 40, or at the utmost 50, per week. From our ignorance of the country, no one could say whether the Expedition would last two months or two years, and under such circumstances no one in the House, or out of it, could *at that time* have understood that any "estimate," properly speaking, could pretend to be or was put forward as a calculation upon sufficient and reliable data.

As regards the delay in rendering an account, even if there had been delay, the circumstances I have referred to would have been, I think, a sufficient explanation. The expenditure had been made, it may almost be said, at every port east of Suez, Bombay, Kurrachee, Calcutta, Madras, Aden, Bushire, Muscat, and a dozen places in the Red Sea, and made too under different authorities acting independently. The number of vouchers already examined exceeds 25,000, and the net charges actually audited and reported to the Imperial Government amounted to 6,618,000*l.* *These have been regularly sent home, month by month, as fast as the audit was completed.* These figures, I think, not only disprove any charge of delay, but I believe I may challenge the production of any instance of a similar expenditure being so quickly and completely rendered.

The Government at Home, however, were anxious to receive a rough and preliminary estimate of their liabilities; and reference has been made to telegraphic inquiries, made as to the total expenditure, as to which it is said that repeated requisitions have failed to extract an answer. The inquiry made by Sir Stafford Northcote on the 1st of December was received and referred to the Accountant General and Controller of Military Accounts on the 3rd, and an answer sent on the 9th. The amount was then stated at 5¾ millions. Within a week supplementary accounts of expenditure at Calcutta and the Punjab, and of transport expenditure in Abyssinia, not before rendered, came to hand, and necessitated the revised estimate of seven millions. Strong remarks have been made as to this altered estimate, but the only observation that I think can be justly made is how difficult the task of rendering such an account must be, and how great the risk of error in calling for such an estimate in this hurried manner, when the Accountant General and the Controller of Military

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tary Accounts, acting on the best information at their disposal, and the auditor specially deputed by the Treasury from Home, who had devoted himself for months to the work, were forced by fresh charges from distant quarters coming to light, to revise their calculation within the short period of a week, to the extent of upwards of a million.

A similar telegraphic inquiry was made by the Duke of Argyll on the 1st of March, and answered on the 9th, but I was unable to give any other reply than that the expenditure might be taken at seven millions. It is hoped and believed that the amount will be under 6¾ millions, when the full credits to the account of the Home Government are ascertained, and the accounts are closed. But the difficulty of dealing with the case may be understood from the fact that, since I began this Memorandum to-day, I have received by the mail from the Secretary of State, in the terms of his despatch, "for examination and adjustment the whole of the accounts received from Captain Willoughby, the Principal Transport Officer in Egypt, in connection with the Abyssinian Expedition." The total amounts to 683,000 *l.*, and I cannot say, without reference, how much, if any, of this amount is included in our expenditure, or the statement given of the charges at home, though I think it most probable that the greater part is included in the expenditure of Major Stansfield, already rendered. But a charge of delay in rendering an account of expenditure seems scarcely well-founded when I only to-day receive, to use the words of the despatch, "for examination and adjustment," a statement of expenditure approaching three-quarters of a million sterling.

The most serious charge against this Government, however, is urged in the public prints, though I am led to believe that they reflect the feeling in the House of Commons, and that is the charge of "extravagance" and "recklessness" in the expenditure. It is made against the Bombay Government, but I should be unjust to my colleagues in the Government if I were to leave them under the imputation, and not accept the responsibility as attaching personally to myself. On any point that required it, I was able to recur to their advice and assistance, but the preparations and details of the organization were referred directly to myself, and all orders were given by me.

I have not been able to discover that any particular instance of extravagance is anywhere alleged; and to say merely "the expenditure is very large, much greater than was expected, and *therefore* it must have been reckless and extravagant," seems to me neither logical nor just.

The largest item of expenditure in Bombay was for marine transport. As regards this, a reference to the papers sent home, headed "List of Ships Chartered for and employed in connection with the Abyssinian Expedition," will show the very low rate at which, for some months, our vessels were taken up. It will be seen that the rate was more than 30 per cent. below that given at Calcutta, and it will be also seen from the Blue Book that I made a representation at Calcutta on the subject. I did not permit higher rates to be given until the supply of available shipping had been so far diminished that owners could get higher rates for ordinary freights in the open market.

As regards commissariat supplies and stores, they were taken at the lowest tendered rate, except when we could avail ourselves of the contracts already existing for the ordinary supply of the army, which, having been made without reference to any unusual demand, were of course often more favourable to the Government than any that could be obtained after the pressure of the Expedition was felt. Whenever tenders were made, if I found the rates in Bombay rising beyond what appeared reasonable, or we had reason to believe that they were enhanced by combination, immediate recourse was had to distant markets, by telegraph, and thus some control and check was kept on the contractors here. So much for rates.

As regards quantities we were of course guided by the calculations of the probable needs by heads of departments. But up to nearly the end of December I had the constant assistance and advice of Lord Napier, and the proceedings of every department of supply were every week laid before a committee which I appointed for the purpose, and over which, on every occasion, I presided myself, composed of the Commander-in-Chief, the General Commanding at Bombay, the Commodore Commanding the Squadron, the Superintendent of Marine, the Military Secretary to Government, the Secretary in the Public Works Department, and the heads and chief executive officers of every department concerned. Nothing certainly was spared to make the organization and supply of the Expedition perfect; but I can appeal to every one concerned if the effort to prevent all useless Expenditure was for one moment relaxed. Of course I can only speak for expenditure directly made on the authority of this Government. A very large expenditure in Abyssinia was inevitable, and I have no reason to think it was not properly incurred. The expenditure also at Calcutta seems relatively large, but I believe it was more than justified by the admirable form in which the Bengal troops took the field.

There are other unavoidable circumstances which have greatly swelled the cost, such as the detention, owing to the season of the year, and the prevailing winds, of such an immense number of sailing transports in Annesley Bay; the employment of so many large steamers there for condensing water; and the delay in discharging vessels on their return to Bombay, owing to the difficulty of unloading them in the open harbour during the monsoon. Another source of increased expenditure was the vast amount of stores and provisions that, in order to secure the early withdrawal of the force, had to be destroyed or abandoned in Abyssinia. Another was the comparatively trifling amount brought to credit of the Home Government by resale of stores, &c. returned. The quantity brought back was very considerable. The value of them thus suddenly brought on a market already supplied, and at an unfavourable time of year, was next to nothing. The unloading of the returned ships during the monsoon was tedious and costly; the cost of the vessels detained while they were unloaded was enormous; and I doubt whether, if an exact account could be taken, the sum realised by the returned stores in many instances repaid the cost of bringing them back and landing them. As I reported at the time, the hay brought back, and which was never discharged at Zoulla, did not pay the mere cost of landing it at Bombay; and, as I found the demurrage of the vessels amounted to many hundred pounds a day, I ordered the hay to be given away or thrown overboard. Remembering that I despatched four months' provisions for the whole strength of men and animals at the end of March, none of which scarcely could have come forward for use, the enormous loss may easily be conceived.

But,

But, on the other hand, it was impossible for me to delay sending these supplies, so that if required they might be sent above the highlands before the rains. If I had delayed, and the war had been protracted into another campaign, the consequences might have been fatal, and I should justly have been held responsible for any disaster or disgrace that might have ensued.

In authorising this large expenditure I knew from the commencement the responsibility I incurred; but the circumstances under which the Expedition was undertaken required that nothing should be neglected to secure the efficiency and safety of the army; and I am content to remember that His Royal Highness the Commander-in-Chief at Home expressed his belief that no expedition was ever sent out better provided, or with more care for its equipment. App. No. 1.

Wm. R. Seymour V. Fitzgerald.

ABSTRACT showing the Date, Period, and Net Amount of the ABYSSINIAN EXPEDITIONARY ACCOUNTS (accompanied by Schedules and Vouchers) forwarded by the Government of *Bombay* to the Secretary of State.

Date and No. of Despatch to Secretary of State.	Period of Account.	Amount.		Net Total Charges.
		Civil (Marine and Transport).	Military.	
		Rs. a. p.	*Rs.* a. p.	*Rs.* a. p.
No. 3, 11th January 1868	Sept. to Nov. 1867 -	9,31,975 12 8	7,82,026 13 –	17,14,002 9 8
„ 16, 11th February „	December 1867 - -	8,31,725 12 3	18,76,777 4 –	27,08,503 – 3
„ 30, 19th March - „	January 1868 - -	19,40,409 5 5	15,79,792 5 –	35,20,201 10 5
„ 40, 16th April - „	February „ - -	18,17,053 2 7	25,52,313 5 –	43,69,366 7 7
„ 52, 14th May - „	March „ - -	22,19,894 4 6	16,85,041 12 –	39,04,936 – 6
„ 82, 17th July - „	April „ - -	27,70,770 1 2	56,67,534 1 –	84,38,304 2 2
„ 106, 22nd Sept. - „	May „ - -	29,27,057 13 9	71,68,330 14 10	1,00,95,388 12 7
„ 137, 25th Nov. - „	June „ - -	60,11,758 8 11	23,20,869 11 1	83,32,628 4 –
„ 144, 17th Dec. - „	July to September 1868	83,85,537 10 8	- - -	83,85,537 10 8
„ 5, 5th January 1869	Ditto (supplement) -	16,56,481 12 3	- - -	16,56,481 12 3
„ 10, 21st January „	June 1868 (Bengal Presidency).	- - -	25,16,334 11 9	25,16,334 11 9
„ 21, 24th February „	July to September 1868	- - -	34,91,520 5 4	34,91,520 5 4
„ 24, 3rd March - „	October to December „	21,46,264 13 1	- - -	21,46,264 13 1
„ 37, 7th April - „	Transport Train account	- - -	17,72,243 1 –	17,72,243 1 –
„ 50, 4th May - „	January to March 1869	7,73,114 11 8	- - -	7,73,114 11 8
To be sent into the Secretariat in a few days.	October 1868 to February 1869.	- - -	23,57,143 15 8	23,57,143 15 8
	Rs.	3,24,12,043 12 11	3,37,69,928 3 8	6,61,81,972 – 7

W. T. Chitty, Major,
Military Accountant.

C. E. Chapman,
Officiating Accountant General of Bombay.

Bombay, 6 May 1869.

Appendix, No. 2.

App. No. 2.

PAPER handed in by Sir *John Hay*.

STATISTICAL RETURN furnished by Captain *Tryon*, R.N., Principal Transport Officer, Illustrating the Work performed by the Naval Transport Department, Abyssinian Expedition.

Total number of vessels employed, exclusive of ships of war, harbour tugs, lighters, condensing vessels, light ship, and factory ship	291
Number of arrivals in Annesley Bay	669
Ditto at Aden, of ships that did not proceed to Annesley Bay	19
	688
Number of departures from Annesley Bay	669
Total tonnage taken up at Bombay, Kurrachee, Aden, &c.	219,299
Ditto at Calcutta	45,427
Ditto in England	30,925
Ditto at Suez	6,972
	302,623
Tonnage of Bombay and Bengal marine ships, including "Semiramis," "Hydrabad," tugs, and steam tank vessels, but not including lighters	9,605
	312,228
Cost per month of transports, supposing that the total number that were engaged were employed at one time, about	£. 433,000
Amount paid to freight ships for conveyance of troops and stores, about	£. 19,890
Amount paid for hire of buglas at Bombay and Bushire to convey animals and fodder, about	£. 55,585
	Tons.
Coal supplied at Aden	62,647
Ditto at Annesley Bay	19,651
	82,298
	Gallons.
Water supplied at Aden by Peninsular and Oriental Company (from a return furnished by Mr. Davis, their agent)	854,796

Water Supplied in Annesley Bay.

		Tons.
Condensed by transports and condensing ships		29,068
Supplied by men of war	about	10,850
Supplied from sailing transports		
Water sent from Suez and Bombay, to Annesley Bay		
		39,918

App. No 2.

Cost of water condensed by transports in Annesley Bay, including the cost of the steamers detained there for the purpose	*d.* 4·35 per gallon.
Coal expended for condensing water on board transports, and in the "Semiramis" and "Hydrabad," in Annesley Bay	*Tons.* 8,020
During the period of the greatest demand coal was discharged from four coal ships at the rate of	*Tons.* 191 per day.
Total number of animals landed at Zoolla, from transports, &c.	36,094

Viz.:

From Transports	Horses	2,538
	Elephants	44
	Mules and ponies	17,673
	Camels	5,735
	Donkeys	1,759
	Bullocks	7,071
From Native Buglas	Mules	270
	Bullocks	1,004

When the Re-embarkation commenced Accommodation for the following Number of Animals was available, allowing 10 per cent. of spare Stalls:—

Mules and ponies	5,243
Draught bullocks	1,073
Pack bullocks	258*
Horses, including staff horses	2,898

* Pack bullocks are of comparatively little value in India, but as the vessels which brought them were well ventilated, having among them some of the finest transports, they were prepared and appropriated for followers, unfits, &c., hence it is that more accommodation for pack bullocks is not shown.

Number of Animals embarked from Zoolla:

	For Suez.	For India.	Total.
Horses	19	2,122	2,141
Mules and ponies	-	4,126	4,126
Elephants	-	39	39
Bullocks	-	1,075	1,075
Camels	-	40	40
			7,421

Number of Men embarked from Annesley Bay, previous to the News of the Fall of Magdala (18th April 1868):

	For Suez.	For India.	Total.
Officers	14	-	14
European troops	210	24	234
Civilians	29	2	31
Warrant officers	—	—	—
Native troops	26	418	444
Followers	1,729	2,416	4,145
Total	2,008	2,860	4,868

App. No. 2.

Number of Troops, &c., embarked at Zoolla after the News of the Fall of Magdala (18th April 1868):

	For Suez.	For India.	Total.
Officers	186	369	555
European troops	1,572	2,258	3,830
Civilians	95	286	381
Warrant officers	—	—	—
Native troops	-	9,606	9,606
Followers	1,613	21,846	23,459
	3,466	34,365	37,831

Total Number of Persons embarked at Annesley Bay:

For Suez	5,474
For India	37,225
	42,699

98,395 Tons of shipping were sent to Suez for stores and animals.

33,636 Tons of shipping were sent to Berbera, for camels, sheep, &c., but exclusive of the steamers which only towed vessels there, and did not return to Annesley Bay.

Number of men on board vessels employed in the Naval Transport Service - - - 14,255

Large lighters, the best of which were of a capacity of 140 tons, decked, and capable of carrying 60 cavalry horses, with men and equipments, or 100 mules, and suited for landing elephants, locomotives, and heavy weights of all kinds - - - - - 9

Smaller lighters of the same description, of 70 tons capacity - - - - - 3

Iron screw barges, fitted and used as water tanks - - - - - - - 3

Steam tugs - - - - - - - - - - - - - - - 4

Local boats; of a total tonnage of 2,156 tons, and at an approximate cost of 7,863 *l.* per month - - - - - - - - - - - - - - - 159

Connected with these boats, and forming their crews, were 1,250 men.

The boats were employed in bringing stone required for constructing piers, and an artificial island formed to carry boilers for condensing apparatus, &c. They also were used in landing stores, &c.

Grand Total Number of Persons of all Classes and Professions (sent to Abyssinia for the purpose of the Expedition) which enlisted the services of Representatives of almost every Eastern nation and race, and of most European countries - - - - - - - - - - - - - 62,220

September 1868.

(signed) *G. Tryon*,
Captain and Principal Transport Officer,
Abyssinian Expedition.

N.B.—Further Details.

Total number of fighting men landed at Zoolla - - - - - - - - 13,164

of these 4,114 were Europeans and 9,050 were natives.

Number of fighting men before Magdala - - - - - - - - - 4,044

Of these 2,118 were Europeans and 1,926 were natives.

Total number of animals employed - - - - - - - - - - 55,000

Appendix No. 3.

PAPERS handed in by Mr. *Seccombe*, 9 July 1869.

(No. 320.)

The Secretary of the Admiralty to the Under Secretary of State for India.

Sir, Admiralty, 17 September 1867.

I AM commanded by my Lords Commissioners of the Admiralty to request you will state to the Secretary of State for India, that the expenditure on account of the Abyssinian Expedition, so far as the expenditure on account thereof by the Naval Department can be estimated at the present moment, will amount to the following sums, viz:—

	£.
In the Transport Department - - - - - - - -	340,000
Storekeeper General Department (for coals, &c.) - - - -	268,000
Comptroller of Victualling (Provisions, &c.) - - - - -	30,000
£.	638,000

Payments on account of these sums are to be made in the usual course through the Accountant General of the Navy; and my Lords propose to submit monthly to the India Office a statement of the payments that may be made, accompanied by the proper documents, in order that the necessary transfers of the sums so paid may be made, as arranged with the Treasury, to the credit of Naval Votes.

I am, &c.
(signed) *W. G. Romaine.*

The Secretary to the Treasury to the Under Secretary of State for India.

Sir, Treasury Chambers, 18 March 1868.

I AM directed by the Lords Commissioners of H er Majesty's Treasury to transmit to you herewith, for the information of the Secretary of State for India in Council, copy of a letter, and of its enclosures, from Mr. Turner, respecting the probable charges connected with the Abyssinian Expedition to the end of April next, and I am to request that my Lords may be favoured with any observations which Sir Stafford Northcote may wish to make thereon.

The return of the printed enclosure is requested.

I am, &c.
(signed) *George A. Hamilton.*

Mr. *Turner* to the Secretary to the Treasury.

Office of the Accountant General, Bombay,
Sir, 12 February 1868.

JUDGING that their Lordships would like to have an estimate before them of the probable rate of expenditure in India for the expedition from an independent source, I have the honour to append hereto, an estimate of the totals of the first six months' accounts of the charges already, and to be brought to account in India, including the actual amounts of the two monthly accounts already sent home.

This has been framed from such incomplete data as I have been able to obtain, so far as regards the next four months' accounts, and I have preferred to give totals, which will doubtless prove to be considerably under the actuals when brought to account, than otherwise.

Very little information is, however, at present known by the Military Department as to the extent of expenditure up to date in the field. It is believed, however, that quite 250,000*l.* has been spent, 200,000*l.* of which at least will be chargeable to Her Majesty's Government, to which must be added the expenditure through Colonel Merewether

App. No. 3.

weather at Aden, and other ports of the Red Sea, for purchases of camels, bullocks, &c., the probable total of which to date is 200,000*l.*

It is difficult, therefore, to estimate what the charges from these two sources alone, to the end of March next, will reach, but at a low margin may be taken at 500,000*l.*; 300,000*l.* only of which (to be on the safe side) I have included in the probable totals of the monthly accounts.

In corroboration of the rate of expenditure for hire of transports, I beg to attach copies of a list of the ships taken up, and of the total monthly hire now payable. This has appeared very opportunely in the columns of the "Times of India"; and through the courtesy of the editor I have had proof copies struck off.

I would observe that this list appeared in the "Bombay Directory and Almanac" published by the proprietors of that paper, having been compiled from official sources, and is now reprinted with additions up to date.

I have, &c.
(signed) *C. Turner.*

(Enclosure.)

ABYSSINIAN EXPEDITION.

ESTIMATED TOTALS of the MONTHLY ACCOUNTS of CHARGES brought to Account in *India*, for Six Months, up to end of April 1868, including the Actual Amounts of the ACCOUNTS for November and December 1867.

		For the Months of			
		January.	February.	March.	April.
Monthly Hire, &c. of Transports:		£.	£.	£.	£.
Present monthly rate of Expenditure (12th February) (*vide* Printed List) for—					
Ships chartered at Bombay and Suez - - -	£. 221,000				
Ditto - Calcutta -	116,000				
Coals for Steamers and Tugs, at per month * - -	43,000	Bombay,	230,000	220,000	280,000	280,000
	£. 380,000	Calcutta - -		50,000	100,000	100,000
Commissariat Services, including purchase of Mules, Camels, Cattle, and Equipment at Bombay - - -		170,000	150,000 40,000 (Punjaub)	100,000	80,000
Ditto - Charges incurred in the Field at Aden, &c. &c. - - - - -		- - -	125,000	125,000	50,000
Other Services, including Extra Pay, of Troops, &c. (say) - - - -		20,000	20,000	20,000	20,000
TOTAL - - - £.		420,000	605,000	625,000	530,000

* Actually spent in months of December and January: the coals purchased at Bombay and Calcutta, up to this date, amount in value to about 90,000*l.* I have no information as to the quantity of coals supplied at Aden, or whether they will be paid for to the Peninsular and Oriental Company in London.

ABSTRACT of the ACCOUNTS for Months of—

	£.	
November 1867	171,400	already sent in.
December „	270,850	
January - 1868	420,000	(Under preparation.)
February „	605,000	
March „	625,000	
April „	530,000	
	£. 2,622,250	

Note.—Should the totals of the Actual Accounts, when rendered, not reach these amounts, it will arise solely from the fact that the Expenditure at Calcutta, in the Field and at Aden, has not been audited, sufficiently vouched, or reported to Bombay in time to be included in the Accounts for the period.

Bombay,
Office of the Accountant General,
12 February 1868.

(signed) *C. Turner.*

(No. 12 of 1868.)

Government of India—Financial Department—Accounts.

To the Right Honourable the Secretary of State for India.

Sir, Fort William, 17 January 1868.

WITH reference to your Despatch, No. 316, dated 31st August 1867, we have the honour to forward copy of a letter, dated 17th December 1867, No. 5534, from the Deputy Accountant General, Bombay, forwarding an estimate of expenditure in the Marine Department, on account of the Expedition to Abyssinia during the ensuing six months, with the Resolution of the Government of Bombay thereon, from which you will observe that the expenditure in the Marine Department is estimated at 89,57,968 rupees, and that the probable political and other charges will not exceed 2,00,000 rupees.

2. The estimate of the charges in the Military Department has not yet been received, and urgent requisition for it has been made on the Military Department.

We have, &c.
(signed) *John Lawrence.*
W. R. Mansfield.
G. N. Taylor.
W. N. Massey.
H. M. Durand.
W. Muir.

Government of India—Financial Department.

Enclosure to Despatch, No. 12, of 1868.

No. 5534, dated 17th December 1867.

From *C. E. Chapman*, Esq., Deputy Accountant General, to the Chief Secretary to Government of Bombay.

WITH reference to Government Endorsement, No. 1253, dated 21st October last, I have the honour to submit an estimate of the probable expenditure in the Marine Department during the ensuing six months, on account of the Abyssinian expedition.

App. No. 3.

An estimate of political charges in connection with the expedition will be forwarded on receipt of certain information from the Political Resident at Aden, called for on the 5th ultimo.

I beg to state that political and other charges on the above account will probably not exceed 2,00,000 rupees.

AN ESTIMATE of the EXPENDITURE in the MARINE DEPARTMENT on account of the ABYSSINIAN EXPEDITION during the ensuing Six Months.

Nature of Charges.	Amounts.		
	Rs.	*a.*	*p.*
Hire of transports	60,00,000	–	–
Coal, steam	12,00,000	–	–
Tanks, iron, of sizes	6,78,358	–	–
Sundry stores	9,72,414	–	–
Coir, hawsers	11,693	–	–
Bags, gunny	16,760	–	–
Hamallage	11,805	–	–
Naval Depôt and Storekeepers, Annesley Bay	50,674	–	–
Horse mats	9,308	–	–
Establishments	3,861	–	–
Mr. Dawes	3,095	–	–
TOTAL *Rs.*	89,57,968	–	–

Appendix, No. 4.

PAPER handed in by Major General *Jameson*, 9 July 1869.

App. No. 4.

ABYSSINIAN EXPEDITION.

COPY of ESTIMATE prepared by the INDIA OFFICE of EXPENDITURE for the ABYSSINIAN EXPEDITION.

Treasury Chambers,
23 April 1868.

G. SCLATER-BOOTH.

Sir, India Office, S.W., 3 April 1868.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 18th ultimo, No. 4358/68, forwarding, for any observations which Sir Stafford Northcote might wish to make thereon, copy of a Letter and Estimate by Mr. Turner, respecting the probable charges of the Abyssinian Expedition.

In reply, I am directed to inform you that the information available here for the preparation of an Estimate of the Expenditure on account of this Expedition is very insufficient, although repeated applications have been made to the Government of Bombay on the subject.

An Estimate has, however, been prepared in this office, which must be regarded as approximate only, from which it appears that the charges in India and England, to the end of May 1868, will probably amount to about 5,000,000 *l.* A copy of this Estimate is forwarded herewith.

That sum is considerably in excess of the amount shown in Mr. Turner's Estimate to the end of April 1868, after allowing for the additional month's Expenditure; but it is stated by Mr. Turner that his Estimate has been framed on incomplete data, and that he has "preferred to give totals which will doubtless prove to be considerably under the actuals, when brought to account, than otherwise."

The list of ships which accompanied your letter is returned.

I have, &c.
(signed) *Clinton.*

G. A. Hamilton, Esq.,
&c. &c. &c.

App. No. 4.

EXPEDITION TO ABYSSINIA.

		To be Disbursed by	
		Imperial Government.	Indian Government.
Estimate of October 1867:			
Charge to end of December 1867:		£.	£.
Ships (Admiralty), Coals, and Provisions		650,000	—
Mules (W. O.), Feeding, Stable Gear, Servants, &c.		200,000	—
India Store Department Charges, including Shipping		- -	150,000
In India:			
Purchase of Pack Animals		- -	450,000
Feeding, Attendants, and Fittings (20,000), to end of November 1867		- -	80,000
Transport, 60,000 Tons, to end of December		- -	390,000
Sundries, Commissariat, Forage, and all Extra Charges to Embarkation		- -	80,000
	£.	850,000	1,150,000
Estimate of March 1868:			
Mules, Stores, &c. (W. O.), to 31st March 1868		189,000	—
Coals &c. (Admiralty), in addition to October Estimate, payable after March 1868		- -	22,000
	Per Month.		
In India, from 1st January 1868:	£.		
Pay of Troops	—		
Transport	400,000		
Provisions, Troops and Followers	28,000		
Provisions, Baggage Animals	90,000		
Foreign Service Allowances	10,000		
Coals	26,250		
Miscellaneous	35,000		
Per Month	£. 589,250		
Vide General Jameson's Estimate annexed.			
For Five Months to end of May, say		- -	3,000,000
In England: India Store Department, additional to 30th June, say		- -	140,000
	£.	1,039,000	4,312,000
			1,039,000
		£.	5,351,000

13 March 1868.

The

App. No. 4.

The Preliminary Estimate made on the 1st October amounted to 2,000,000 *l.*; this, I think, may fairly stand, as far as can now be ascertained, as a near approximation to the expenditure up to the 31st December 1867.

From the 1st January 1868, the monthly expense was calculated at 370,000 *l.*, as follows:—

	£.
Pay of troops	50,000
Commissariat, at least	60,000
Rations and allowances for foreign service to soldiers and followers	10,000
Transport	150,000
Coals	25,000
Forage for cattle	50,000
Miscellaneous	25,000
	£. 370,000

this, excluding the pay of troops, would leave 320,000 *l.* per mensem to be paid by the Imperial Government.

It is found that many of these items, sea-transport especially, were very greatly under-estimated. The transport alone is now shown to be very nearly 400,000 *l.* a month. This, however, might be very largely reduced by the discharge of vessels amounting in number to 53 sailing ships, aggregating 28,773 tons, and which have been engaged in carrying elephants, camels, mules, ponies, and bullocks, as well as bulky Commissariat Stores, such as grain, rations, pressed hay, bran, straw, &c. At the termination of the Expedition there will be many stores, the removal of which by sea would cost much more than their worth. The provisions, grain, and hay will perhaps be consumed; but, if not, it appears to me that, with the exception of the grain and provisions, it would be economical to abandon, or, if possible, dispose of what may be left. This remark applies to the baggage animals, with the exception perhaps of elephants, for their transport to India would far exceed their value, and in any imaginable case it would not be worth while to keep in monthly pay a large fleet of transports with the view of eventually carrying them back to India.

The number of baggage animals that have been procured for service in Abyssinia is, by the latest returns—

45 Elephants.
8,000 Camels.
16,950 Mules.
5,000 Bullocks.

The feeding of these animals, with the pay of their attendants, will cost on an average, at the very least, 30 rupees each per mensem, which is a low estimate, considering the expense of forage and grain sent to Abyssinia.

Thus we have 29,995 × 30=899,850 rupees, or, in round numbers, 90,000 *l.*

The force at present consists of—

Europeans, fighting men	3,213
Natives - - ditto	7,711

and we may add at least 1,500 Natives proceeding to join; this gives a total of 3,213 Europeans and 9,211 Natives, or, together, 12,424 of all ranks. Estimating followers on the new reduced scale of one per man, it will double the above numerical amount, and estimating the rations of an Europeans at 20 rupees per month, and of a Native at 10 rupees, we have a total of—

	Rs.
3,213 × 20=	64,260
9,211 × 10=	92,110
12,424 × 10=	124,240
	Rs. 280,610

say, £.28,000.

App. No. 4.

Coals.

Supposing five transports to be daily under steam in conveying troops, carrying mails, &c., it would give an average expenditure of 25 tons of coal for each transport.

	£.
5 × 25 = 125 tons per diem, or, per mensem, 3,750 tons, at 3 *l.* 10 *s.* per ton	13,125
The coals required for condensing water, 27,000 gallons per diem, at Zoulla, cannot be less than the above, although I have no means of ascertaining accurately	13,125
£.	26,250

The estimate of monthly expenditure might stand thus:—

Pay of Troops	Excluded.
Sea Transport	400,000
Provisions for Troops and Followers, as above shown	28,000
Provisions of Baggage Animals	90,000
Foreign Service and Staff, and Allowance to the Officers and Troops	10,000
Coals	26,250
Miscellaneous, about	35,000
£.	589,250

Thus we have—

Preliminary Estimate	£.	2,000,000
Five Months, 1st January to 31st May	£.	2,946,250

Provided the Expedition terminates on the 31st May, it would not be safe to ask for less than three millions, and there are charges which cannot at present be estimated, such for instance as the railways, telegraphs, &c. If continued beyond the 31st May next, it would be safe to estimate a further charge of 600,000 *l.* for every month beyond that date.

(signed) *G. I. Jameson*, Major General,
Auditor.

12 March 1868.

Appendix, No. 5.

PAPER handed in by Sir *Stafford Northcote*, M. P., 9 July 1869. App. No. 5.

ESTIMATE of possible Amount of LIABILITIES already incurred on account of the ABYSSINIAN EXPEDITION, from 13th September to 13th March, exclusive of Charges, as after shown, which will be incurred Monthly from the Date on which the Expedition embarks.

		£.
IN ENGLAND.		
Assuming the estimate of the Admiralty ships, coals, and provisions to be correct		650,000
India Store Department, including shipping charges, might be increased to		150,000
Cost of mules by the War Office, including allowances for feeding, stable gear, servants, &c., it is safe to estimate at the very least		200,000
	£.	1,000,000
IN INDIA.	£.	
Purchase of pack animals, as per estimate already made	450,000	
Feeding, attendants, and fittings should be added, which (*exclusive of transport*) will cost 20 rupees each animal per month, if purchased at intervals, say 20,000 animals at 20 rupees each for two months, previous to embarkation	80,000	
Transport, 60,000 tons, four months, taking the rate paid during the Mutiny	390,000	
		920,000
Sundry expenses for the marching of troops, with Commissariat, forage, and all extra charges, together with transport, coal, and miscellaneous payments to the port of embarkation		80,000
	£.	2,000,000

If the force move on the 1st January, the monthly expenditure, in addition to the above, may be thus estimated :

	£.
Pay of Troops	50,000
Commissariat, at least	60,000
Rations and allowances, for foreign service, to soldiers and followers	10,000
Transport	150,000
Coals	25,000
Forage for Cattle	50,000
Miscellaneous (allow about)	25,000
Total per Month £.	370,000

Note.—One Steamer from Bombay to Massowah and back, will cost 2,000 *l.* for coals.

App. No. 5.

In round numbers, if we include the expenses already incurred, the charge for the Abyssinian Expedition, from the 1st January until it is finished, will not be much less than 600,000 *l.* per month.

The estimate is not framed on perfectly reliable data, but with considerable knowledge of the expense of such expeditions.

Actual War.

The Persian Expedition did not last actually above* four months, and the audited expense was 2,195,728 *l.*, or 548,932 *l.* per month. The Abyssinian Expedition must be far more expensive, from its distance from Bombay being much greater, and the expense of supplies, carriage, and transport being at least twice as much as that expended for Persia.

The cattle must die in great numbers, and when returned will sell for scarcely anything, for the voyage on board transports tells very heavily on the animals.

The pressed hay, and commissariat provisions of all kinds, will be worth very little if returned; and, with few exceptions, I would not calculate much on the proceeds of returned stores; Ordnance and Engineer stores, including, of course, guns and small arms, will be valuable. A return of the number of baggage cattle required for the force is appended, from which I fear that the commissariat expenditure is underrated.

Audit Department, India Office,
11 October 1867.

G. I. Jameson, Major General,
Auditor.

STATEMENT of the usual supply of BAGGAGE ANIMALS required for FIELD SERVICE in *India*.

Camels, Bullocks or Mules. Three Mules or Bullocks, equal to a Camel.

	Camels.	Bullocks or Mules.
Two Troops of Horse Artillery:		
114 camels each, say	228	
or 342 mules „	- -	684
Four Regiments European Infantry:		
789 camels each, say	3,156	
or 2,376 mules „	- -	9,468
Three Batteries of Artillery:		
98 camels each, say	294	
or 294 mules „	- -	882
Four Regiments Native Cavalry:		
274 camels each, say	1,096	
or 822 mules „	- -	3,288
Nine Regiments Native Infantry:		
363 camels each, say	3,267	
or 1,089 mules „	- -	9,801
Sappers and Pioneers:		
Camels, say	363	
or Mules „	- -	1,089
Commissariat:		
Camels, say	2,000	
or Mules „	- -	6,000
	10,404 camels or 31,212 mules.	

Appendix, No. 6.

EXTRACTS from Sir S. Fitz-Gerald's Private Letters to Sir Stafford Northcote.

App. No. 6.

14 December 1867.

Your meeting with Parliament seems to have been satisfactory. If the affair is brought soon to a termination all will be well; but do not disguise to yourselves that the cost will be enormous, if it goes on. My bill for transports alone exceeds 100,000 *l.* per month, besides coals, and not including our own ships, to which your bill for transports has to be added. Our coal in Annesley Bay will cost not much less than 7 *l.* a ton. Probably, however short the affair may be, our coal bill will be three quarters of a million, our animals the same, and our commissariat charges a vast deal more. Then, though India pays the troops, there will be some 20,000 or 30,000 men besides you will have to pay for. Unless Theodore knocks under *at once*, which I cannot but think he will, I expect to see your three millions and a half largely exceeded, even for one campaign.

3 April 1868.—(Received 26 April.)

I telegraphed to you a summary of the expenditure up to date the day before yesterday. I am afraid Disraeli will be dismayed at the figures. But not the least evil that I foresaw in sending so important an expedition as the Government decided on, was the expense. Everything has to be sent from here; even firewood has figured in our list of consignments. * * * * * It is not only that the absolute amount of stores would have been less [if a smaller force had been employed], but the pressure on a limited market such as this would have been less, and the enormous rise in the price of everything would not have occurred, or at least not to the same extent.

4 April 1868.—(Received 26 April.)

I have just received the enclosed (accounts) from the Controller General, and have only time to send them on without taking a copy.

The total cost of the expedition, I fancy, will be about six millions.

1 May 1868.—(Received 23 May.)

I do not doubt that a large portion of the stores removed can be made use of by Government here, and a very respectable credit, *per contra*, will appear on the balance-sheet on account of stores unconsumed. At the same time there will be some, and perhaps a considerable, loss on the re-sale. The whole of the four months' supply which I was obliged to send is untouched, and should be worth more than a quarter of a million sterling.

I do not think you must calculate on being entirely out of the country under three months; but one thing is certain, all haste will be made to leave it.

25 May.—(Received 20 June.)

I am afraid a fearful amount of stores will have to be abandoned.

13 July.—(Received 9 August.)

I am afraid the credit I told you you might expect to find in the accounts for stores returned, will be sadly diminished. I am informed by officers who have returned, that at least six months' stores were abandoned or destroyed above the passes.

App. No. 6.

20 July.—(Received 16 August.)

I am fretted and troubled about the returned stores. The weather is so boisterous, and the mass of shipping from Abyssinia so great, that we get on very slowly in discharging them, so that the demurrage is calculated to amount to 7,000 *l.* a-day. Added to this, even when landed, from the enormous amount thrown on the market at once, the stores scarcely fetch enough to pay the expense of bringing them to the shore. The only thing to be done seems to be, to throw the hay and perishable stores overboard. Of course I know the row that will be made if I order this will be immense. Besides the sacrifice of what has cost lacs, the destruction of what may be used as food for man and beast will appear barbarous. But what is to be done? If the vessels wait till they are discharged, I believe the expense will exceed a quarter of a million. I should not mind giving the stores to anyone who will take them off, but that will take as much time almost as selling them, and it is the demurrage that staggers me. Even with goods which we can store I do not know what to do. We have over 4,000 water tanks on hand, which cost us, perhaps, 15 *l.* on the average, and though they are as good as new, merely bruised, we should be lucky to get 30 *s.* for them. It is the old story of the Spaniard and his chest full of diamonds. I hoped, when the expedition was over, that my troubles were over too, but the return is almost as bad as the fitting out.

Appendix, No. 7.

PAPERS handed in by Mr. *Turner*, 13 July 1869.

LIST OF SHIPS Chartered for and Employed in connection with the ABYSSINIAN EXPEDITION.

CHARTERED AT BOMBAY.

No.	Names.	Tonnage.	Rate per Ton.	Minimum Period Chartered for.	Monthly Amount Payable.	Date of Entry into Employ.	Names of Agents.	When Discharged.
	STEAMERS.	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*			1868:
B 3	Arabia	1,027·	24 –	6	24,648 –	18 Sept. 1867	B. I. S. N. Company	18 August.
B 18	Asia	1,579·	24 –	6	37,896 –	13 Oct. „	- - ditto	17 „
119	Armenian	944·37	20 –	4	18,887 6	6 Jan. 1868	N. J. Abraham	30 July.
72	Bombay Castle	823·25	–	6	18,000 –	7 Nov. 1867	Ahmedbhoy Habibbhoy	5 August.
	Ellora	1,574·	22 –	–	34,628 –	24 Dec. „	P. and O. Company	25 March.
B 1	Euphrates	650·42	27 8	6	17,886 9	1 Sept. „	B. I. S. N. Company	22 August.
B 0	Great Victoria	2,398·	14 –	6	33,572 –	6 Sept. „	Lawrence & Co.	30 July.
168	General Outram	261·	21 –	4	5,481 –	18 Feb. 1868	B. C. and R. S. N. Co.	3 „
77	General Havelock	280·52	21 –	6	5,890 15	11 Nov. 1867	- - ditto	8 „
B 2	Indore	679·	–	6	18,000 –	11 Sept. „	C. B. Colah & Co.	17 „
B 12	India	1,010·	27 8	6	27,775 –	25 Sept. „	B. I. S. N. Company	22 August.
B 63	John Bright	1,022·63	26 –	6	26,588 6	1 Nov. „	David Sassoon	10 July.
156	Japan	472·52	27 8	4	12,994 5	1 Feb. 1868	Ritchie, Steuart, & Co.	16 „
129	Koina	896·61	27 –	4	24,208 8	7 Jan. „	B. and B. S. N. Company	8 August.
	Krishna	1,223·	27 –	–	21,694 7	23 May „	Steans, Hobart, & Co.	11 June.
76	Lord Clyde	374·72	21 –	6	7,869 2	11 Nov. 1867	B. C. and R. S. N. Co.	10 „
B 23	Madras	1,185·	22 –	6	26,070 –	14 Oct. „	P. and O. Company	5 Sept.
	Mula	690 18/100	27 –	4	18,634 14	2 Mar. 1868	B. and B. S. N. Company	15 August.
B 9	Norna	969·	22 –	6	21,318 –	23 Sept. 1867	P. and O. Company	11 July.
	Nada	880 62/100	27 –	4	23,776 12	25 Feb. 1868	B. and B. S. N. Company	10 August.
B 10	Ottawa	1,274·	22 –	6	28,028 –	24 Sept. 1867	P. and O. Company	11 July.
118	Pearl	334·96	21 –	4	7,035 –	4 Jan. 1868	B. C. and R. S. N. Co.	5 June.
138	Punjab	1,029·54	27 8	6	28,312 6	26 Sept. 1867	B. I. S. N. Company	1 August.
B 4	Sir Bartle Frere	536·	21 –	6	11,256 –	20 Sept. „	B. C. and R. S. N. Co.	22 July.
B 14	Sattara	1,230·	24 –	6	29,520 –	27 Sept. „	B. I. S. N. Company	17 August.
B 24	Sultan	1,124·	22 –	6	24,728 –	16 Oct. „	P. and O. Company	11 „
B 25	Salsette	1,491·	22 –	6	32,802 –	22 Oct. „	- - ditto	28 March.
91	Sunda	1,682·	22 –	6	37,004 –	16 Nov. „	- - ditto	25 July.
	Sakura	847·	32 –	–	27,527 8	20 June 1868	W. Nicol & Co.	5 August.
75	Tilly	456·47	21 –	6	9,585 14	11 Nov. 1867	B. C. and R. S. N. Co.	4 „
B 31	Thales	1,153·78	26 –	6	29,998 4	25 Nov. „	Ritchie, Steuart, & Co.	3 „
205	Viscount Canning	781 26/100	23 –	4	17,985 1	10 April 1868	Byramjee Hormusjee Cama	19 „
	SAILING SHIPS.							
B 6	Atmosphere	1,378·	9 –	6	12,402 –	19 Sept. 1867	Sir Charles Forbes & Co.	14 „
55	Arundel	1,249·	9 8	6	11,865 8	1 Nov. „	Ritchie, Steuart, & Co.	22 „
89	Agamemnon	1,431·	11 –	6	15,741 –	16 Nov. „	W. Nicol & Co.	2 June.
B 27	Altcar	1,283·	11 –	6	14,113 –	24 Nov. „	- - ditto	28 July.

CHARTERED AT BOMBAY—*continued.*

No.	Names.	Tonnage.	Rate per Ton.	Minimum Period Chartered for.	Monthly Amount Payable.	Date of Entry into Employ.	Names of Agents.	When Discharged.
	SAILING SHIPS—*continued.*	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*			1868:
B 34	Adriana	1,305·	9 8	4	12,397 8	30 Nov. 1867	Ritchie, Steuart, & Co.	15 June.
110	Alsagar	1,210·	10 –	4	12,100 –	1 Jan. 1868	Wallace & Co.	7 August.
109	Athene	605·	10 –	4	6,050 –	23 Dec. 1867	Fleming & Co.	23 July.
111	Asia	1,301·	10 –	4	13,010 –	1 Jan. 1868	Thomas Lidbetter	6 August.
124	Anevoca	597·	12 8	4	7,462 8	6 „ „	Dwarkadass Vassonjee	22 „
130	Annie Frost	1,236·	14 –	4	17,304 –	6 „ „	Framjee, Sands, & Co.	31 July.
120	Avabhoy	959·	12 8	4	11,987 8	6 „ „	Hajee Mahomed Seedick	24 June.
137	Ann Millicent	943·	14 –	4	13,202 –	24 „ „	Edward Bates & Co.	1 July.
B 29	Albertine	1,522·	10 –	6	15,220 –	25 Nov. 1867	Messrs. Rennie, Scovell, & Co.	31 „
170	Atiet Rahimon	525·	12 –	4	6,300 –	19 Feb. 1868	Jamsetjee Nusserwanjee	7 August.
142	Ann	931·	11 –	4	10,241 –	22 Jan. „	Hajee Mirza Shuffee Mishkee.	21 July.
175	Agra	830·	14 –	4	11,620 –	24 Feb. „	Sir Charles Forbes & Co.	13 August.
202	British Princess	1,401·59	14 –	4	19,622 4	10 Mar. „	Ritchie, Steuart, & Co.	28 July.
187	Bulwark	1,332·40	13 –	4	17,321 3	4 „ „	W. Nicol & Co.	15 August.
58	Beaumaris Castle	1,040·	10 –	6	10,400 –	3 Nov. 1867	Ewart, Latham, & Co.	13 „
66	Balkamah	1,377·	9 8	6	13,081 8	5 „ „	Edward Bates & Co.	3 „
70	Berenice	1,455·	11 –	6	16,005 –	6 „ „	Ritchie, Steuart, & Co.	24 „
68	British Monarch	1,261·73	10 –	6	12,617 5	6 „ „	- - ditto - - -	27 „
80	Bucentaur	1,067·	11 –	6	11,737 –	13 „ „	Rennie, Scovell, & Co.	12 April.
B 39	Bruce	1,110·	10 –	4	11,100 –	4 Dec. „	W. Nicol & Co.	15 July.
B 22	Burmah	1,175·	9 8	4	11,162 8	13 „ „	- - ditto - - -	17 August.
135	Bacchante	717$\frac{5}{16}$	13 –	4	9,325 1	13 Jan. 1868	Finlay, Scott, & Co.	31 „
122	Bosworth	545·	14 –	4	7,630 –	14 „ „	Alfred Nicholls	8 „
69	British Princess	1,231·	10 –	6	12,310 –	6 Nov. 1867	Finlay, Scott, & Co.	3 July.
160	British Constitution	427·	11 –	4	4,697 –	3 Feb. 1868	Finlay, Clark, & Co.	2 May.
189	British Nation	1,302·	14 –	4	18,228 –	5 Mar. „	W. Nicol & Co.	8 August.
179	Bethshan	663·	14 –	4	9,282 –	29 Feb. „	- - ditto - - -	3 Sept.
71	City of Dunedin	1,085·	10 8	6	11,392 8	6 Nov. 1867	- - ditto - - -	25 April.
83	Compta	1,009·	11 –	6	11,099 –	3 „ „	Campbell, Mitchell, & Co.	9 July.
92	City of Agra	1,073·	11 –	6	11,803 –	9 „ „	Coupland & Co.	26 August.
B 33	Castle Eden	930·	10 –	6	9,300 –	27 „ „	W. Nicoll & Co.	25 July.
B 41	C. N.	965·	8 8	4	8,202 8	5 Dec. „	Hajee Mahomed Seedick	27 May.
B 40	Calcutta	1,372·	10 –	4	13,720 –	4 „ „	W. Nicoll & Co.	25 August.
B 47	Clytie	1,078·	11 –	4	11,858 –	9 „ „	Rennie, Scovell, & Co.	31 July.
B 49	Canova	1,283·	10 –	4	12,830 –	17 „ „	W. Nicol & Co.	23 „
133	Ceylon	395·68	11 8	4	4,550 5	6 Jan. 1868	Fleming & Co., Kurrachee	23 „
150	Cowosjee Jehangheer	1,258·	14 –	4	17,612 –	29 „ „	Ritchie, Steuart, & Co.	29 August.
134	Colonist	578·	14 –	4	8,092 –	10 „ „	Nanabhoy Jamsetjee	6 „
105	Caldera	730·	10 –	4	7,300 –	16 Dec. 1867	Fleming & Co.	24 „
145	Cannata	514·	12 –	4	6,168 9	24 Jan. 1868	Elmston and Jamsetjee Cowasjee.	6 „
147	Carona	1,199·	14 –	4	16,786 –	25 „ „	W. Nicol & Co.	24 May.
146	Carolina	460·	12 –	4	5,520 –	24 „ „	H. F. Soares Brothers & Co.	30 July.
	Cutch Merchant	639·65	13 –	4	8,315 7	10 Feb. „	Govindjee Virjee	26 June.
177	Camperdown	945·50	14 –	4	13,237 –	26 „ „	W. Nicol & Co.	2 July.
195	Clasmerdon	1,598·	11 8	4	18,377 –	7 Mar. „	Lyon Brothers	3 Sept.
	Congress (taken up at Aden).	840·	7 –	3	5,880 –	22 Nov. 1867	J. Fannington, Master	21 April.
74	Decision	1,203·	9 8	6	11,428 8	8 „ „	Wallace & Co.	11 July.
73	Dreadnought	1,497·	8 12	6	13,098 12	8 „ „	Rennie, Scovell, & Co.	8 August.
B 32	Defiance	954·	10 –	4	9,540 –	28 „ „	Ritchie, Steuart, & Co.	28 July.
B 38	David Malcomson	1,213·	10 –	4	12,130 –	30 „ „	Lawrence & Co.	15 August.
129	Dilawar	1,306·	14 –	4	18,284 –	16 Jan. 1868	W. Nicol & Co.	31 July.
199	Dilharce	1,293·	14 –	4	18,102 –	7 Mar. „	- - ditto - - -	19 August.
197	Dharwar	1,293·6	14 –	4	18,102 13	7 „ „	Sir Charles Forbes & Co.	17 „
155	Ethereal	795·86	12 –	4	9,550 5	1 Feb. „	Wallace & Co.	17 July.
154	Egeria	1,066·	12 8	4	13,325 –	3 „ „	W. Nicol & Co.	21 August.
53	Europa	1,254·	8 12	6	10,972 8	1 Nov. 1867	Finlay, Clark, & Co.	11 June.
65	Empire of Peace	1,540·	9 –	6	13,860 –	3 „ „	Lawrence & Co.	1 August.
B 36	Elizabeth Henderson	297·	11 –	6	3,267 –	25 „ „	L. Kuler & Co.	22 July.
113	Erie	1,010·	10 –	4	10,100 –	2 Jan. 1868	W. Nicol & Co.	22 August.
173	Exonian	360·15	13 –	4	4,681 15	20 Feb. „	Volkart Brothers	24 July.
198	Empress	1,313·	14 –	4	18,382 –	7 Mar. „	Messrs. Ritchie, Steuart, & Co.	31 August.

CHARTERED AT BOMBAY—*continued.*

No.	Names.	Tonnage.	Rate per Ton.	Minimum Period Chartered for.	Monthly Amount Payable.	Date of Entry into Employ.	Names of Agents.	When Discharged.
	SAILING SHIPS—*continued.*	*Tons.*	*Rs. a*	*Mths.*	*Rs. a.*			1868:
88	Friga	1,134·	10 4	6	11,623 8	15 Nov. 1867	Finlay, Clark, & Co.	31 July.
94	Fort George	732·	11 –	6	8,052 –	18 „ „	Stenhouse & Co.	13 June.
B 30	Flying Venus	1,393·	11 –	6	15,323 –	27 „ „	Edward Bates & Co.	19 August.
90	Futhe Sultan	310·	8 –	6	2,480 –	16 „ „	Hajee Moosa Hajee Joosub Noor Mahomed.	24 July.
138	Fazel Currim	488·45	11 8	4	5,617 3	13 Jan. 1868	Hajee Hoosein Hajee Abdool Rahim.	8 „
121	Futta Salem	618·	13 –	4	8,034 –	11 „ „	Hajee Abdoola Noor Mahomed.	3 June.
103	Gavin Steel	1,072·	11 –	4	11,792 –	10 Dec. 1867	Ritchie, Steuart, & Co.	12 „
131	Glendevon	954·	10 –	4	9,540 –	26 „ „	Fleming & Co., Kurrachee.	4 Sept.
132	Geraint	1,075·39	12 8	4	13,442 6	8 Jan. 1868	W. Nicol & Co.	5 August.
117	Good Success	477·	9 –	4	4,293 –	1 „ „	Hussonbhoy Thawer & Co.	2 June.
144	Glenduror	994·	14 –	6	13,916 –	17 „ „	Remington & Co.	20 July.
171	Hamoody	711·75	12 –	4	8,541 –	19 Feb. „	Shaik Mahomed Abdool Latif.	4 August.
B 8	Hyderee	620·	9 4	6	5,735 –	19 Sept. 1867	Hajee Hoosain Abdool Raimon.	28 April.
57	Humber	1,403·	8 8	6	11,925 8	1 Nov. „	Bell, Vents, & Lucius	19 August.
67	Howden	1,218·	9 –	6	10,962 –	6 „ „	Edward Bates & Co.	5 Sept.
B 42	Hippogriff	728·	8 8	4	6,188 –	11 Dec. „	Hajee Lenal Abadeen Shirazee.	6 August.
B 37	Hahneman	1,328·	10 –	4	13,280 –	7 „ „	Finlay, Clark, & Co.	18 July.
114	Hurry Puddumsey	819·	8 –	4	6,552 –	2 Jan. 1868	Edward Bates & Co.	22 June.
182	Hope	440·98	13 –	4	5,732 12	2 March „	Finlay, Clark, & Co.	1 August.
B 16	Indian Chief	1,788·	8 12	6	15,645 –	4 Oct. 1867	W. Nicol & Co.	7 Sept.
82	Irwell	1,508·	11 –	6	16,588 –	8 Nov. „	Remington & Co.	11 July.
102	Indomitable	1,041·	14 –	4	14,574 –	28 Feb. 1868	Hajee Mahomed Seedick	6 August.
123	Jessie Gilbert	634·9	13 –	4	8,243 3	6 Jan. „	Wallace & Co.	25 May.
152	James Childs	756·	14 –	4	10,584 –	31 „ „	Forbes & Co.	30 „
193	John Bunyan	1,129·41	13 –	4	14,682 5	6 March „	Lyon Brothers	8 August.
196	Jadool Baree	460·	13 –	4	5,980 –	5 „ „	- - - - -	12 „
192	Janet Mitchell	711·	13 8	4	9,598 8	5 „ „	- - - - -	4 July.
161	Khimjee Oodhowjee	909·	13 8	4	12,271 8	5 Feb. „	Edward Bates & Co.	2 Sept.
60	Kingston	1,208·	9 –	6	10,872 –	1 Nov. 1867	Finlay, Clark, & Co.	20 July.
148	Knighton	1,048·	13 –	4	13,624 –	25 Jan. 1868	W. Nicol & Co.	11 August.
B 21	Kooria Mooria	1,112·	7 8	6	8,340 –	11 Oct. 1867	- - ditto - - -	18 „
112	Kusrovie	374·	8 8	4	3,179 –	21 Dec. „	Goolam Mahomed Ismail Hussain.	23 May.
185	King of Italy	1,363·	14 –	4	19,082 –	3 March 1868	Messrs. Nicol & Co.	21 August.
50	Lord Palmerston	1,057·	8 8	6	8,984 8	1 Nov. 1867	Merwanjee Nussserwanjee	10 July.
62	Louisa	939·	9 –	6	8,451 –	2 „ „	Sir Charles Forbes & Co.	6 „
B 13	Mandalay	745·	–	5	6,250 –	25 Sept. „	Wallace & Co.	11 July.
54	Maggie Lauder	997·	8 8	6	8,474 8	1 Nov. „	W. Nicol & Co.	25 April.
61	Mai Blume	1,189·	10 –	6	11,890 –	3 „ „	Volkart Brothers	5 August.
99	Mabel	1,259·	11 –	6	13,849 –	24 „ „	Edward Bates & Co.	17 July.
86	Mayaram Dayaram	694·	7 8	6	5,205 –	13 „ „	Seedick Hajee Allarukhia	28 May.
96	Mary Fry	986·	9 –	4	8,874 –	19 „ „	W. Nicol & Co.	11 April.
165	Melmerby	1,510·	14 –	4	21,140 –	13 Feb. 1868	Lawrence & Co.	27 July.
163	Mary Stenhouse	1,243·	13 8	4	16,780 8	10 „ „	Edward Bates & Co.	27 August.
158	Mary Ann	664·	11 –	4	7,304 –	3 „ „	N. G. Abraham	6 „
189	Morning Star	481·56	13 –	4	6,260 4	14 „ „	Rustomjee Dadabhoy Cama.	9 July.
97	Mofussilite	1,008·88	11 –	6	11,097 11	20 Nov. 1867	Ritchie, Steuart, & Co.	6 „
143	Moderation	1,267·31	12 8	4	15,841 6	22 Jan. 1868	W. Nicol & Co.	28 August.
157	Michael Scott	1,197·	14 –	4	16,758 –	3 Feb. „	Ritchie, Steuart, & Co.	3 July.
188	Muscat Merchant	544·	14 –	4	7,616 –	5 March „	Hajee Mahomed Seedick	27 „
204	Montano	1,263	11 8	4	14,524 8	12 „ „	Nanabhoy Sorabjee	14 August.

CHARTERED AT BOMBAY—*continued.*

No.	Names.	Tonnage.	Rate per Ton.	Minimum Period Chartered for.	Monthly Amount Payable.	Date of Entry into Employ.	Names of Agents.	When Discharged.
	SAILING SHIPS—*continued.*	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*			1868:
B 35	North Wind	783·	9 –	4	7,047 +	3 Dec. 1867	Soares Brothers & Co.	9 July.
101	Nimrod	890·	9 8	4	8,455 –	14 „ „	Hajee Mahomed Seedick	1 May.
B 43	Nicholas Curnin	549·	9 –	4	4,941 –	7 „ „	Sir Charles Forbes & Co.	7 August.
104	Nelson	1,248·	10 –	4	12,480 –	13 „ „	W. Nicol & Co.	4 Sept.
159	Napier	1,424·	10 –	4	14,240 –	25 „ „	Ritchie, Steuart, & Co.	8 „
127	Norman	254·	13 –	4	3,302 –	4 Jan. 1868	Cursetjee Muncherjee	13 May.
174	Nadisda	526·	13 –	4	6,838 –	25 Feb. „	Bomanjee & Ardaser Hormusjee.	11 July.
52	Oriflamme	1,369·	10 8	6	14,374 8	1 Nov. 1867	Ritchie, Steuart, & Co.	25 March.
87	Octavia	950·	9 –	6	8,550 –	20 „ „	W. Nicol & Co.	4 Sept.
B 45	Oliver Cromwell	1,112·	9 8	4	10,564 –	7 Dec „	Rennie, Scovell, & Co.	29 August.
200	Orwell	1,109·35	14 –	4	15,530 14	7 March „	W. Nicol & Co.	14 „
B 15	Peckforton Castle	1,088·57	8 –	6	8,708 9	4 Oct. „	Coupland & Co.	2 May.
81	Philosopher	1,059·	11 –	6	11,649 –	13 Nov. „	Rennie, Scovell, & Co.	3 „
84	Percy Douglas	781·	9 –	6	7,029 –	14 „ „	W. Nicol & Co.	20 „
B 11	Peerless	1,005·	10 –	4	10,050 –	7 Dec. „	Lawrence & Co.	1 Sept.
107	Phœnix	574·	10 8	4	6,027 –	27 „ „	Ritchie, Steuart, & Co.	11 May.
28	Pride of the Ganges	641·	10 –	6	6,410 –	20 Nov. „	Fleming & Co.	22 August.
116	Pearl of India	1,328·	10 12	4	14,276 –	2 Jan. 1868	Joseph Osborn, Master	25 „
136	Premchund Roychund	1,257·	14 –	4	17,598 4	20 „ „	Ritchie, Steuart, & Co.	3 July.
194	Pegasus	1,182·59	14 –	4	16,556 4	6 March „	Charles Ginger Herring and William Gilbert.	10 August.
181	Preston	955·65	13 –	4	12,423 7	2 „ „	Lyon Brothers	7 „
B 7	Queen of Australia	1,238·	10 8	6	12,999 –	19 Sept. 1867	London, Asiatic, and American Co., Limited.	30 July.
151	Queensland	950·87	13 –	4	12,361 5	30 Jan. 1868	N. J. Abraham	6 August.
79	Royal Saxon	1,109·	9 8	6	10,535 8	13 Nov. 1867	Lawrence & Co.	17 August.
B 44	Rowena	1,174·	10 –	4	11,740 –	12 Dec. „	London, Asiatic, and American Co., Limited.	7 „
108	Royal Edward	1,508·	10 12	4	16,211 –	27 „ „	Lawrence & Co.	19 „
115	Royal Standard	2,082·97	11 –	4	22,912 11	31 „ „	ditto	3 „
153	Rahamany	809·	11 –	4	8,899 –	1 Feb. 1868	Hajee Mahomed Seedick	5 „
191	Red Jacket	2,035·17	13 8	4	27,474 13	6 March „	Rennie, Scovell, & Co.	7 „
201	Regina	800·	14 –	4	11,200 –	9 „ „		27 July.
B 5	Star of the North	935·02	9 8	6	8,882 8	19 Sept. 1867	John Clove & Co.	7 August.
106	Star of Brunswick	1,636·	11 –	4	17,996 –	20 Dec. „	Volkart Brothers & Co.	4 „
51	Star of India	1,045·	9 –	6	9,405 +	21 Oct. „	Ewart, Latham, & Co.	20 July.
59	Sam Cearns	1,422·	9 8	6	13,509 –	3 Nov. „	Lawrence & Co.	3 „
78	Sophia Joakim	1,000·	11 –	6	11,000 –	9 „ „	W. Nicol & Co.	13 August.
85	Scotland	1,170·	10 –	6	11,700 –	13 „ „	ditto	19 „
93	Sir Hugh Rose	971·	8 4	6	8,010 12	18 „ „	Hajee Meerza Suffee Muskee.	1 July.
98	Sydney Dacres	1,379·	9 –	6	12,411 –	20 „ „	Edward Bates & Co.	12 August.
B 46	Shah Jehan	698·	9 –	4	6,282 –	12 Dec. „	Hajee Abdool Noor Mahomed.	29 May.
48	Spray of the Ocean	805·	10 –	6	8,050 –	5 „ „	Fleming & Co., Kurrachee.	20 July.
126	Stag	523·	13 –	4	6,799 –	23 Jan. 1868	W. Nicol & Co.	11 August.
149	Scimitar	1,187·	14 –	4	16,618 –	29 „ „	Ritchie, Steuart, & Co.	11 July.
172	Sunbeam	693·	13 8	4	9,355 8	18 Feb. „	S. C. Jordan	8 August.
184	St. Bernard	933·93	14 –	4	– –	3 March „		13 „
186	Star of the North	662·	13 8	4	8,937 –	3 „ „	Blay & Mackintosh	11 „
B 17	Tanjore	989·29	8 –	6	7,914 5	4 Oct. 1867	Dosabhoy Merwanjee Sons & Co.	25 April.
141	Teazer	363·	12 –	4	4,356 –	21 Jan. 1868	Hajee Joseph Noor Mahomed.	9 July.
167	Trafalgar	1,102·	14 –	4	15,428 –	11 Feb. „	W. Nicol & Co.	12 June.
	Ditto	– –	– –	–	12,122 –	13 June „	ditto	29 July.
166	Tim Whiffler	1,132·69	13 –	4	14,725 –	8 Feb. „	Merwanjee Nusserwanjee	21 August.
162	Tirrell	1,013·51	12 –	4	12,162 2	8 „ „	Emlstone & Co.	21 „
180	Ticonderoga	1,300·	13 8	4	17,550 –	29 Feb. „	Hajee Mahomed Seedick	29 „
	Talisman	1,026·	10 –	–	10,260 –	1 April „	G. Whiteway, Master	18 July.
B 20	Vanada	1,141·	7 8	6	8,557 8	11 Oct. 1867	W. Nicol & Co.	31 August.
95	Victoria Cross	1,262·	11 –	6	13,882 –	19 Nov. „	Coupland & Co.	5 „
203	Venilia	– –	13 –	4	– –	25 March 1868	Volkart Brothers	25 July.

CHARTERED AT BOMBAY—*continued.*

No.	Names.	Tonnage.	Rate per Ton.	Minimum Period Chartered for.	Monthly Amount Payable.	Date of Entry into Employ.	Names of Agents.	When Discharged.
	SAILING SHIPS—*continued.*	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*			1868:
140	Western Empire -	1,245·	13 –	4	16,185 –	13 Feb. 1868	W. Nicol & Co.	10 August.
100	Western Star -	891·	9 –	4	8,019 –	17 Dec. 1867	Hajee Mahomed Seedick	9 July.
125	Waterloo - -	1,222·	14 –	4	17,108 –	7 Jan. 1868	Stenhouse & Co. - -	21 August.
128	Windsor Castle -	1,074·5	14 –	4	15,044 12	4 „ – „	Ritchie, Steuart, & Co. -	3 March.
164	Welcome - -	281·	12 –	4	3,372 –	12 Feb. „	Hussonbhoy Goolam Hoosain.	12 „
190	Wideawake - -	702·	13 –	4	9,126 –	4 March „	Shaik Mahomed bin Abdool Latif.	4 August.
B 19	Yorick - - - -	1,402·	7 8	6	10,515 –	11 Oct. 1867	H. Bomanjee, Touche, & Co.	21 „
64	Zenobia - - -	1,160·84	9 8	6	11,028 –	2 Nov. „	London, Asiatic, and American Co.	27 „
56	Zoroaster - -	1,207·	10 –	6	12,070 –	1 „ „	Ritchie, Steuart, & Co. -	29 July.
B 26	Zulette - - -	768·	9 –	6	6,912 –	6 Oct. „	J. A. Shepherd - -	28 August.

CHARTERED AT CALCUTTA.

	STEAMERS.							1868:
116	Bengal - - -	2,185·	27 8	6	60,087 8	23 Dec. 1867	P. & O. Company - -	9 July.
118	Catherine Apcar -	1,020·	25 –	6	25,500 –	16 „ „	Apcar & Co. - - -	14 Sept.
	Calliope - - -	- -	–	–	- -	10 Nov. „	- - - - -	1867: 20 Dec.
	Dacca - - -	1,659·	27 8	–	- -	26 May 1868	Mackinnon, Mackenzie, & Co.	1868: 6 July.
139	Far East - -	1,259·	30 –	6	37,770 –	10 Jan. „	Gillanders, Arbuthnot, & Co.	5 October.
101	Golconda - -	1,909·	27 8	6	52,497 8	18 Nov. 1867	P. & O. Company - -	14 March.
126	Himalaya - -	1,341·	27 8	6	36,877 8	20 Oct. „	Mackinnon, Mackenzie, & Co.	3 Sept.
125	Oriental - - -	1,006·	–	6	38,000 –	11 Nov. „	B. I. S. N. Co. - -	14 August.
103	T. A. Gibb - -	1,023·	25 –	6	25,575 –	1 Jan. 1868	Apcar & Co. - - -	31 July.
	Tynemouth - -	1,409·	20 –	3	28,180 –	25 „ „	Wiseman, Snead, & Co. -	22 „
	TUG STEAMERS.							
137	Alexandra - -	363·	–	6	12,000 –	17 Nov. 1867	Borrodaile, Schiller, & Co.	5 August.
128	Bombay - - -	423·	–	6	13,500 –	24 „ „	Apcar & Co. - - -	23 „
133	Challenge - -	468·	–	6	13,500 –	1 Dec. „	Gladstone, Wyllie, & Co.	19 „
134	Court Hey - -	488·	–	6	13,500 –	1 „ „	- - ditto - - -	21 July.
132	Defiance - - -	408·	–	6	13,500 –	17 „ „	- - ditto - - -	4 August.
129	Electric - - -	395·	–	6	13,500 –	1 „ „	Apcar & Co. - - -	31 „
135	Hunsdow - -	488·	–	6	13,500 –	1 „ „	Gladstone, Wyllie, & Co.	21 July.
131	Mauritius - -	423·	–	6	12,000 –	4 „ „	Borrodaile, Schiller, & Co.	21 Nov.
130	Paris - - -	423·	–	6	12,000 –	25 „ „	Borrodaile, Schiller, & Co.	27 „
	SAILING VESSELS.							
117	Alabama - -	949·	14 –	6	13,286 –	20 „ „	W. Mullard - - -	12 August.
196	Atalanta - - -	990·	13 8	3	13,365 –	17 Oct. „	J. Ballingall - - -	7 „
108	Challenge - -	1,264·	14 –	6	17,696 –	24 Dec. „	Mackinnon, Mackenzie, & Co.	26 June.

CHARTERED AT CALCUTTA—*continued.*

No.	Names.	Tonnage.	Rate per Ton.	Minimum Period Chartered for.	Monthly Amount Payable.	Date of Entry into Employ.	Names of Agents.	When Discharged.
	SAILING VESSELS—*continued.*	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*			1868:
106	Callierhoe - -	1,257·	13 –	6	16,341 –	3 Dec. 1867	Gillanders, Arbuthnot, & Co.	26 August.
111	Continental -	1,464·	17 –	6	24,888 –	11 Nov. „	Atkinson, Stewart, & Co.	27 „
105	Dullum Tower -	1,499·	17 –	6	25,483 –	16 Dec. „	Turner, Morrison, & Co.	27 „
119	Durham - - -	1,286·	17 –	6	21,862 –	22 Nov. „	Gladstone, Wyllie, & Co.	31 „
107	Ellen Stewart - -	1,643·	16 –	6	26,288 –	9 Dec. „	- - ditto - - -	1 „
121	Howrah - - -	1,097·	17 –	6	18,649 –	13 Nov. „	- - ditto - - -	28 „
123	India - - -	912·	14 –	6	12,768 –	14 „ „	- - ditto - - -	22 July.
112	Legion of Honour -	1,219·	17 –	6	20,723 –	17 Dec. „	Turner, Morrison, & Co.	31 „
120	Malabar - - -	1,219.	17 –	6	20,723 –	13 Nov. „	Gillanders, Arbuthnot, & Co.	20 August.
102	Middlesex - -	1,191·	15 –	6	17,865 –	12 Dec. „	John Elliott & Co. - -	15 „
	Marlborough - -	1,402·	15 –	4	21,030 –	29 Feb. 1868	Borrodaile, Schiller, & Co.	11 Sept.
110	Nile - - -	1,126·	15 –	6	16,890 –	14 Dec. 1867	Colvin, Cowie, & Co. -	13 August.
127	Ophir - - -	847·50	12 –	6	10,170 –	1 Nov. „	Robert & Chariot - -	8 „
124	Queen of India -	1,044·	16 –	6	16,704 –	21 „ „	Turner, Morrison, & Co.	9 July.
113	Squando - - -	1,220·	17 –	6	20,740 –	14 Dec. „	Erusthausen & Oesterley -	25 August.
	Surrey - - -	1,089·	15 –	4	16,335 –	26 Feb. 1868	James Nash Marshall -	10 „
115	St. Alban's - -	1,265·	14 –	6	17,710 –	2 Jan. „	Whitney Brothers & Co.	15 „
122	Vernon - - -	1,319·	17 –	6	22,423 –	7 Dec. 1867	Turner, Morrison, & Co. -	3 Sept.
114	Underley - -	1,292·	17 –	6	21,964 –	20 „ „	- - ditto - - -	20 August.
109	Waterwitch - -	1,046·	14 –	6	14,644 –	17 „ „	J. H. Millard - -	20 July.
104	Winchester - -	1,157·	15 –	6	17,355 –	14 „ „	Schoene, Kilburn, & Co.	17 August.

CHARTERED AT SUEZ.

	STEAM VESSELS.				£.			
	Dessoak - - -	- -	–	–	75 per day	20 Oct. 1867		
	Samanoud - - -	- -	–	–	100 „	12 „ „		
	Cossier - - -	- -	–	–	70 „	12 „ „		1868:
	Suakim - - -	- -	–	–	50 „	10 Nov. „	Azzeziah Co. - -	8 May
	Hodeida - - -	- -	–	–	60 „	12 Oct. „		
	Yambo - - -	- -	–	–	60 „	12 „ „		
	Hedjaz - - -	- -	–	–	55 „	7 Nov. „		
	Penguin (tug) -	- -	–	–	10 „	12 Oct. „	- - - - -	8 „

SPECIALLY PURCHASED AT BOMBAY.

Name.	Horse Power.	Tonnage.	Name.	Horse Power.	Tonnage.
Earl Canning (steamer) -	150	661·37	Carnac (steam barge) -	16	80·75
Lord Elphinstone „ -	150	654·28	Clare „ - -	16	108·5
Sir. J. Lawrence „ -	70	577·19	Rose „ - -	20	80·25
Spitfire (tug) - - -	70	136·	Wadoli „ - -	20	78·
Rustum „ - - -	60	97·	16 Iron Barges - -	–	–
Jorawar „ - - -	100	183·	4 Dhows, and native craft	–	–
Pehlwan „ - - -	97	60·			

VESSELS Lent for the Service of the Expedition.

Name.	Horse Power.	Tonnage.	Remarks.
Bombay Marine:			
Coromandel - - -	250	1,221·	
Constance - - -	–	182·	Specially fitted as a Light Ship in the Red Sea.
Dalhousie - - -	160	1,060·	
Hyderabad - - -	–	–	Ditto, as a Condensing Vessel.
Mary Frere - - -	100	308·	
Sind - - - -	140	408·5	
Semeramis - - -	270	1,031·	Ditto, as a Condensing Vessel and Floating Workshop.
Bengal Marine:			
Czarewitch - - -	–	–	
Feroze - - - -	–	–	
Undaunted - - -	–	–	

ROYAL NAVY VESSELS Lent for Service with the Expedition.

Argus, steamer.
Dryad „
Nymph „
Octavia (flagship), steamer.
Star, steamer.
Satellite „
Vigilant „

ABSTRACT OF NUMBER OF VESSELS.

Chartered at Bombay:		Royal Navy Steam Vessels employed on the service of the Expedition - -	7
Steamers - - - - -	32		
Sailing Ships - - - - -	178	Indian Marine Vessels, ditto, viz.:	
Chartered at Calcutta:		Bombay Marine - - 7	
Steamers and Tugs - - - -	19	Bengal „ - - 3	
Sailing Ships - - - - -	24	—	10
Chartered at Suez:			
Steamers and Tugs - - - -	8	Total number of Vessels, exclusive of Iron Barges and Small Craft, also irrespective of the Transports chartered in England - - - -	289
Specially purchased at Bombay for the Expedition:			
Steamers and Tug Vessels - -	11		

LETTER from Mr. *C. Turner* to Mr. *G. A. Hamilton.*

(No. 78.)

Sir, Bombay, 9 April 1869.

ON the completion of the Civil Expedition Account of charges to the 31st March, and the Military Account to the 28th February last, I have, in concert with the Bombay Account Department, given my best attention to framing an accurate estimate of the charges and receipts connected with the expedition yet to be brought to account.

	£.	s.	d.
The net amount of this estimate, which I have the honour herewith to transmit is - - - - -	211,774	–	–
While the net amount of the Bombay Accounts (copies of which have been forwarded by me from time to time) has been - - - - - - - - - -	6,618,199	15	–
Making a final, actual, and estimated TOTAL of £.	6,829,973	15	–

The result thus arrived at I transmitted by telegraph to their Lorhships on the 4th instant.

I think it but right that I should refer to the very great difficulties that have been experienced in framing the estimates already transmitted.

The expenditure has been disbursed through so many channels, and disbursing officers, that with every desire to afford correct information, with the meagre data available, all attempts to frame anything like an accurate estimate have hitherto proved wide of the mark.

In the detailed memorandum now annexed there are several items against which, on my own responsibility, I have been obliged to estimate round sums, as my request for information thereon in certain quarters has not been responded to; these may eventually prove much under or over the actual figures.

As regards the credits to come in, I have preferred to under rather than over estimate them, and I cannot but think that eventually the Abyssinian net charges consolidated at Bombay will not exceed in all 6,800,000 *l.*

In forwarding also a few observations on the differences between the two estimates sent of the cost of the expedition, I beg to remark that the first total of 5,750,000 *l.* was arrived at in a very hurried manner to reply to a very urgent telegram of the Secretary of State. Ten days subsequently, on my proceeding to Poona, from the mass of accounts and papers placed before me, the major part of which had but just been received, I felt convinced the previous estimate was understated. I then went into the matter with the object of affording the most correct information possible, and in a day or two arrived at the conclusion that 7,039,850 *l.* would prove the more correct approximate total, and this I reported at the time to their Lordships.

This larger estimate was intended to be substituted for the one sent but 10 days previously, which the short interval appeared to admit of. If, in transmitting the amount by telegram, the Bombay Government omitted to allude to this fact, it is much to be regretted.

I have, &c.
(signed) *C. Turner.*

G. A. Hamilton, Esq., &c. &c. &c.
Treasury.

ABYSSINIAN ACCOUNTS.

MEMORANDUM of the Actual and Estimated OUTSTANDING RECEIPTS and CHARGES not yet Included in the ACCOUNTS Consolidated at *Bombay*.

Where Incurred.	Particulars.	Amount.	Remarks.
	CHARGES.	£. s. d.	
	MILITARY DEPARTMENT.		
Punjab	Pay, &c. of several levies of returned Muleteers to the Punjab, up to February 1869 (wanting vouchers)	18,970 – –	Includes advances taken up in part, which may not all become charges.
Madras	Estimated outstandings as per telegram, chiefly for Railway Conveyance of Troops, and pay of returned Followers	3,040 – –	
Bengal	Ditto (per Telegram)	10,000 – –	
	Augmentation of Native Army for Recruits added to Bengal Regiments on withdrawal of Troops for Abyssinia (estimated)	10,000 – –	The amount originally charged was on an incorrect basis, and has been written back. There is no means of arriving at present at the final charge.
Abyssinia	Payments by Lieutenant Mockler, as Political Officer, to Chiefs (under audit)	11,000 – –	
	Unadjusted Zoola and Field Commissariat Charges outstanding (under audit and reference)	30,250 – –	
	Advances to Colonel Merewether and M. Munzinger, at Zoola and Mussowah, for Political Charges, purchase of, and keep of animals, not yet cleared, viz.:—		
	To April 1868 £. 39,350 „ May „ 7,010 „ „ „ 1,720 Reported by Captain Young 800 Other sums 2,000	50,880 – –	In the absence of accounts, or other information, there is no means at present of ascertaining whether the whole of these sums were actually disbursed.
	Loss of Treasure under reference	2,000 – –	
Aden	Payments by Political Resident under special contract for Zoola Ballast Boats (under audit)	15,000 – –	
	Other payments by Political Resident, outstanding	5,000 – –	
Muscat	Purchase of Donkeys, and pay of Drivers by Political Agent (under audit)	5,500 – –	
In Abyssinia: but to be paid in India.	Compensation to Native Cavalry Regiment for loss of Horses, viz.:—		
	Under reference: 3rd Light Cavalry £ 7,200; 10th Bengal „ 4,900; 12th „ „ 3,140; 3rd Sind Horse 4,760	20,000 – –	
	Carried forward £.	181,640 – –	

MEMORANDUM of the Actual and Estimated Outstanding Receipts and Charges not yet included in the Accounts, &c.—*continued.*

Where Incurred.	Particulars.	Amount.	Remarks.
		£. s. d.	
	Brought forward - - - £.	181,640 – –	
	CHARGES—*continued.*		
	MILITARY DEPARTMENT—*continued.*		
Abyssinia and Bombay.	Pay of special Field Railway Establishments, not yet audited—		
	Actual - - - - - £. 11,953		
	Estimated to complete - - 247		
		12,200 – –	
Bombay - -	Hire of Transports, Military Department, taken up for return of troops lent from Bengal and Madras Presidencies - - - - - - - - -	17,500 – –	
	Commissariat charges, chiefly for shipping and landing returned Provisions and Stores at Bombay, viz.:—		
	Payments in February 1869 - £. 5,600		
	Estimated to complete by Executive Commissariat Officer - 21,600		
		27,200 – –	
	Payments by Executive Commissariat Officer, at present shows under unadjusted, say - - -	20,000 – –	
	Pay Department, for Estimated Outstandings - -	5,000 – –	
	Donation Batta - ditto - - - - -	1,000 – –	
	Pay of Recruits in augmentation of Native Army in Bombay Presidency, from October 1867 to July 1868, about - - - - - - - -	3,350 – –	
	MARINE DEPARTMENT.		
	Balance of hire remaining to be paid to owners of 14 steam and nine sailing Transports - - -	47,420 – –	
	Pay of Crews of Vessels, purchased provisions, stores, and other outstanding charges (say) - - -	12,000 – –	
Calcutta - -	Hire of Transports, and Marine Charges - - -	12,000 – –	
	PUBTIC WORKS DEPARTMENT.		
Aden and Bombay -	Charges for landing Railway Plant at Aden, and other items, about - - - - - - - -	10,000 – –	Doubtful; a part of this may be withdrawn.
	CIVIL AND POLITICAL.		
Aden Treasury -	Advances to Mr. Rassam, principally money sent to the Captives - - - - - - - - -	4,000 – –	
	TOTAL Charges Outstanding Carried forward - - £.	353,310 – –	

MEMORANDUM of the Actual and Estimated Outstanding Receipts and Charges not yet included in the Accounts, &c.—*continued.*

Where Incurred.	Particulars.	Credits and Receipts.	Charges.
		£. s. d.	£. s. d.
	Brought forward - - - - £.	- - -	353,310 - -
	RECEIPTS AND CREDITS.		
	MILITARY DEPARTMENT.		
Bombay - - -	Sale of Commissariat Stores, estimated for March 1869, and subsequently - - - - - - - - - - -	4,000 - -	
	Ditto, for Stores to be taken over by Bombay Commissariat -	1,800 - -	
Poona - - -	For Animals and Gear to be credited in March 1869, and subsequently - - - - - - - - - - - -	2,406 - -	
	Value of Medicines and Medical Stores returned by Field Force, yet to be credited - - - - - - - - - -	14,380 - -	
	Value of Ordnance, ditto - - - - - - - - - -	5,000 - -	
	MARINE DEPARTMENT.		
Bombay - - -	Claim against Indian Government for hire of Abyssinian Transports while temporarily employed on Indian Reliefs - -	29,200 - -	
	Ditto, for Coals consumed by the above - - - - -	6,400 - -	
	Hire of three Steamers, "Earl Canning," "Sir J. Lawrence," and "Lord Elphinstone," to be repaid by Bombay Government, from March 1869, say to middle of April, at 1,272 *l.* per month - - - - - - - - - - - -	1,800 - -	
	Sale of above three steamers (cost originally 57,500 *l.*, and that considered at the time a low figure), say at one-third original cost - - - - - - - - - - - - -	19,000 - -	
	Fittings of "Semeramis" and "Hydrabad," tanks and other fittings of Transports yet to be valued or sold; say - -	5,000 - -	
	Tugs and Barges to be sold or taken over by Bombay Government—		
	Value placed upon by Dockyard Committee. £. Tugs - - - - "Spitfire" - - - 1,875 "Rustum" - - - 1,300 "Jorawar" - - - 2,550 Steam Barges - "Carnac" - - - 1,635 "Rose" - - - 740 Iron Barge - - - 250	8,350 - -	
	Carried forward - - - - £.	97,336 - -	353,310 - -

MEMORANDUM of the Actual and Estimated Outstanding Receipts and Charges not yet included in the Accounts, &c.—*continued.*

Where Incurred.	Particulars.	Credits and Receipts.	Charges.
		£. s. d.	£. s. d.
	Brought forward - - - - £.	97,336 – –	353,310 – –
	RECEIPTS AND CREDITS—*continued.*		
	Marine Department—*continued.*		
	Value placed upon by Dockyard Committee. £.		
Bombay - - -	Tug "Pehlwan," say - - - - - - - - 1,500		
	Tug "Clare," say - - - - - - - - 2,000		
	Other Barges to be disposed of, say - - - - 2,000		
		5,500 – –	
	11,000 Tons of Abyssinian Coal on hand at Bombay, valued at 1 *l.* 4 *s.* a ton, the price offered by tender - - - - -	13,200 – –	
Galle - - -	1,200 Tons of Coal on hand, say - - - - - -	2,500 – –	
Calcutta - - -	Sale of Fittings of Transports; Estimated to complete - -	3,000 – –	
	PUBLIC WORKS DEPARTMENT.		
	Abyssinian Railway Plant and Public Works Department Stores landed at Aden and Bombay, viz:—		
	£.		
	Cost of Railway Material - - - - - 62,000		
	Field Engineer's and other Stores, about - - 10,000		
	Say at over one fourth of - - - £. 72,000	20,000 – –	
		141,536 – –	353,310 – –
			141,536 – –
	Net Total Outstanding Charges - - - £.		211,774 – –

	£. s. d.
Note.—Net Amount of Charges included in Accounts at Bombay - - -	6,618,199 15 – *
Total of Outstandings - - - - - - - - - - - -	211,774 – –
Probable final Total - - - - - - - - £.	6,822,973 – –

* *Vide* Memorandum following.

Bombay, 8 April 1869.

(signed) *C. Turner.*

MEMORANDUM.

	£. s. d.
Net Total Bombay Civil and Military Accounts of Receipts and Charges, up to 30 September 1868 - - - - - - - - -	5,913,320 10 10
Civil, &c., October to December 1868 - - - - - - - -	214,626 9 7
Transport Train Account - - - - - - - - - -	177,224 6 2
Sent in April 1868, No. 12, Civil Account (January to March 1869) - -	77,314 – 5
„ „ „ 12, Military Account (October 1868 to February 1869)	235,714 8 –
£.	6,618,199 15 –

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OBSERVATIONS explanatory of the Two ESTIMATES—

	£.
Of - - - - - - - -	5,750,000
And - - - - - - -	7,039,850
Difference - - £.	1,289,850

The first estimate was a very approximate one, framed at a moment's notice to reply at once to the urgent call of the Secretary of State through the Government of Bombay.

A week or so afterwards a vast number of charges were reported, which led to the advisability of a revised total estimate being prepared.

Charges were reported from Calcutta as having been paid in the Military Department for hire of transports, also Commissariat charges which had been kept back for months, notwithstanding the repeated demands for them.

It was not known at the time of the first estimate that so large an amount of hire had been paid in the Military Department (Calcutta), and not reported to Bombay, as that class of charges was then being disbursed in the Civil Department at Calcutta.

	£.
The amount under-estimated for charges paid in Calcutta generally by the Military Department was about - - - - - - - - -	250,000
Hire of Bengal transports (paid in Civil Department) detained longer in the pay of Government than was allowed for - - - - - - -	100,000
Add for Donation, War Batta, not sanctioned at the time of the first estimate	120,000
Charges by the Director of transport train in Abyssinia, the amount of which at the time of first estimate there were no means of ascertaining, £.	
Actual at about - - - - - 230,000	
Estimated at first - - - - 100,000	
Difference - -	130,000
Commissariat charges in Abyssinia under-estimated from absence of information under the heavy item of carriage of stores by native agency - -	150,000
Charges at Bombay for shipping provisions, commissariat stores, tanks and coals into transports; also for re-landing returned stores—heavy expenses had been incurred at the time the first estimate was framed; these it was concluded had been mostly paid for by the Commissariat Department, while it turned out that the contractors had never lodged their claims for payment:	
Under provisions on this head, therefore - -	120,000
MARINE DEPARTMENT:	
Fittings and stores supplied to transports, the total of which there was no means of ascertaining at the time:	
Under-estimated - - - - - - -	100,000
Punjab charges, the actual amount of which proved to be far in excess of that expected:	
Under-estimated - - - - - - - -	70,000
Small additions on other heads for political and other unforeseen charges -	133,850
In the first net estimate of 5,750,000 *l.*, the sum of 300,000 *l.* was credited for sale of stores; in the second estimate only 184,000 *l.* was inserted:	
Add difference - - - - - - - -	116,000
Total difference between the Two Estimates - £.	1,289,850

It should be borne in mind that the second estimate of 7,039,850 *l.*, upon which much care had been expended to insure its accuracy, has proved to be in excess of the probable final total by 220,000 *l.*

Bombay, 6 April 1869. (signed) *C. Turner.*

LETTER from Mr. *C. Turner* to Mr. *G. A. Hamilton.*

ABYSSINIAN ACCOUNTS.

Sir, Bombay, 12 February 1868.

JUDGING that their Lordships would like to have an estimate before them of the probable rate of expenditure in India for the expedition from an independent source, I have the honour to append hereto an estimate of the totals of the first six months' accounts of the charges already and to be brought to account in India, including the actual amounts of the two monthly accounts already sent home.

This has been framed from such incomplete data as I have been able to obtain so far as regards the next four months' accounts, and I have preferred to give totals which

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will doubtless prove to be considerably under the actuals when brought to account than otherwise.

Very little information is known at present by the Military Department, as to the extent of expenditure up to date in the field. It is believed, however, that quite 250,000*l.* has been spent, 200,000 *l.* of which, at least will be chargeable to Her Majesty's Government, to which must be added the expenditure through Colonel Merewether at Aden and other ports of the Red Sea for purchases of camels, bullocks, &c., the probable total of which to date is 200,000 *l.*

It is difficult, therefore, to estimate what the charges from these two sources alone up to the end of March next will reach, but at a low margin, may be taken at 600,000 *l.*; 400,000 *l.* only of which (to be on the safe side) I have included in the probable totals of the monthly accounts.

In corroboration of the rate of expenditure for hire of transports, I beg to attach copies of a list of the ships taken up, and of the total monthly hire now payable. This has appeared very opportunely in the columns in the "Times of India" and through the courtesy of the editor I have had these proofs struck off.

I would observe that this list appeared in the "Bombay Directory and Almanac" published by the proprietors of that paper, having been compiled from official sources, and is now re-printed with additions up to date.

I am &c.
(signed) *C. Turner.*

G. A. Hamilton, Esq.,
&c. &c. &c.
Treasury.

ESTIMATED TOTALS of the MONTHLY ACCOUNTS of CHARGES brought to Account in *India*, for Six Months up to end of April 1868, including the Actual amounts of the Accounts for November and December 1867.

Monthly Hire, &c. of Transports.		For Months of			
		January.	February.	March.	April.
Present monthly rate of expenditure (12 February) *vide* printed list for—	£.	£.	£.	£.	£.
Ships chartered at Bombay - - -	221,000				
Ditto - - - Calcutta - - -	116,000				
* Coals for steamers and tugs, at per month	43,000				
£.	380,000	Bombay - 230,000 Calcutta - -	220,000 50,000	280,000 100,000	280,000 100,000
Commissariat Services, including purchase of mules, camels, cattle, and equipment at Bombay - -		170,000†	150,000† 40,000† (Punjab.)	100,000	80,000
Commissariat charges incurred in the field, and at Aden, &c. - - -			125,000	125,000	50,000
Other services, including extra pay of troops, &c. (say)		20,000	20,000	20,000	20,000
£.		420,000	605,000	625,000	530,000

* The coals purchased at Bombay and Calcutta up to this date, amount in value to about 90,000 *l.* I have no information as to the quantity of coals supplied at Aden, or whether they will be paid for to the Peninsular and Oriental Company, in London.

† Actually spent in months of December 1868 and January 1869.

Abstract of the Accounts for Months of	£.	Remarks since added. Totals of the Actual Accounts sent from	£.
Already sent in { November - - 1867	171,400	Bombay - - - - - -	171,400
{ December - - „	270,850	„ „ „	270,850
Under preparation January - - 1868	420,000	„ „ „	352,020
February - - „	605,000	„ „ „	436,936
March - - - „	625,000	„ „ „	390,493
April - - - „	530,000	„ „ „	843,830
£.	2,622,250	£.	2,465,529

Bombay,
12 Feb. 1868.

(signed) *C. Turner.*

C. T.,
June 1869.

LIST of SHIPS Chartered for and Employed in connection with the ABYSSINIAN EXPEDITION.

CHARTERED AT BOMBAY.

No.	Names.	Tonnage.	Rate per Ton.	Chartered for.	Monthly Amount Payable.
	Steamers.	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*
B3	Arabia	1,027	24 –	6	18,486 –
B18	Asia	1,579	24 –	6	37,896 –
119	Armenian	944·37	20 –	4	18,887 6
72	Bombay Castle	823½	–	6	18,000 –
B1	Euphrates	650·42	27 8	6	17,886 8
B0	Great Victoria	2,398	14 –	6	33,572 –
77	General Havelock	280·52	21 –	6	5,890 14
B2	Indore	679	–	6	18,000 –
B12	India	1,010	27 8	6	21,775 –
B63	John Bright	1,022·63	26 –	6	26,588 6
76	Lord Clyde	374·72	21 –	6	7,869 2
129	Koria	1,074½	27 –	4	29,014 14
129	Koina	869·61	27 –	4	23,479 –
B23	Madras	1,385	22 –	6	30,470 –
B9	Norna	962	22 –	6	21,164 –
B10	Ottawa	1,274	22 –	6	28,028 –
118	Pearl	334·96	21 –	4	7,034 2
B4	Sir Bartle Frere	536	21 –	6	11,256 –
B14	Sattara	2,030	24 –	6	48,720 –
B24	Sultan	1,124	22 –	6	24,728 –
B25	Salsette	1,491	22 –	6	32,802 –
91	Sunda	1,682	22 –	6	37,004 –
75	Tilly	457·47	21 –	6	9,606 14
B31	Thales	1,154	26 –	6	30,004 –
		25,163			5,58,162 –
	Sailing Ships.				
B6	Atmosphere	1,378	9 –	6	12,402 –
55	Arundel	1,249	9 8	6	11,865 8
89	Agamemnon	1,431	11 –	6	15,741 –
B27	Altcar	1,283	11 –	6	14,113 –
B34	Adriana	1,305	9 8	4	12,397 8
110	Alsagar	1,210	10 –	4	12,100 –
109	Athene	605	10 –	4	6,050 –
111	Asia	1,301	10 –	4	13,010 –
124	Anevoca	597	12 8	4	7,462 8
130	Annie Frost	1,236	14 –	4	17,304 –
120	Avabhoy	959	12 8	4	11,987 8
137	Ann Milicent	943	14 –	4	13,202 –
B29	Albertine	1,522	10 –	6	15,220 –
–	Atiet Rahimon	525	12 –	4	6,300 –
142	Ann	931	11 –	4	10,241 –
58	Beaumaris Castle	1,040	10 –	6	10,400 –
66	Balkamah	1,377	9 8	6	13,081 8
70	Bernice	1,455	11 –	6	16,005 –
68	British Monarch	1,261·73	10 –	6	12,617 –
80	Bucentaur	1,067	11 –	6	11,737 –
B39	Bruce	1,110	10 –	4	11,100 –
B22	Burmah	1,175	9 8	4	11,162 8
135	Bacchante	717$\frac{5}{16}$	13 –	4	9,325 –
122	Bosworth	545	14 –	4	7,630 –
69	British Princess	1,231	10 –	6	12,310 –
71	City of Dunedin	1,085	10 8	6	11,392 8
83	Compta	1,009	11 –	6	11,099 –
92	City of Agra	1,073	11 –	6	11,803 –
B33	Castle Eden	930	9 –	6	8,370 –
B41	C. N.	965	8 8	4	8,202 8
B40	Calcutta	1,372	10 –	4	13,720 –
B47	Clytie	1,078	11 –	4	11,858 –
B49	Canova	1,283	10 –	4	12,830 –
133	Ceylon	395·68	11 8	4	4,550 –
150	Cowasjee Jehangeer	1,258	14 –	4	17,612 –
134	Colonist	578	14 –	4	8,092 –
105	Caldera	730	10 –	4	7,300 –
145	Cameata	514	12 –	4	6,168 –
147	Carona	1,199	14 –	4	16,786 –
146	Carolina	460	12 –	4	5,520 –
74	Decision	1,203	9 8	6	11,428 8
73	Dreadnought	1,497	8 12	6	13,098 12
B32	Defiance	954	10 –	4	9,540 –
B38	David Malcolmson	1,212	10 –	4	12,120 –
129	Dilawer	1,306	14 –	4	18,284 –
155	Etherial	795·86	12 –	4	9,550 –
154	Egeria	1,066	12 8	4	13,325 –
53	Europa	1,254	8 12	6	10,972 8
65	Empire of Peace	1,540	9 –	6	13,860 –
B36	Elizabeth Henderson	297	11 –	6	3,267 –
113	Erie	1,010	10 –	4	10,100 –
88	Friga	1,134	10 4	6	11,623 8
94	Fort George	732	11 –	6	8,052 –
B30	Flying Venus	1,393	11 –	6	15,323 –
90	Futa Sultan	310	8 –	6	2,480 –
121	Futa Salam	618	13 –	4	8,034 –
138	Fazel Curreem	488·45	11 8	4	5,612 –
103	Gavin Steel	1,072	11 –	4	11,792 –
131	Glendevon	954	10 –	4	9,540 –
132	Geraint	1,075·39	12 8	4	4,437 8
117	Sailing Ships—*contd.* Good Success	477	9 –	4	4,293 –
–	Hamoody	734	12 –	4	8,808 –
B8	Hyderee	620	9 4	6	5,735 –
57	Humber	1,403	8 8	6	11,925 8
67	Howden	1,218	9 –	6	10,962 –
B42	Hippogryffe	728	8 –	4	5,824 –
B37	Hahneman	1,328	10 –	4	13,280 –
114	Hurry Puddumsey	819	8 –	4	6,552 –
B16	Indian Chief	1,788	8 12	6	15,645 –
82	Irewell	1,508	11 –	6	16,588 –
102	Indomitable	1,041	10 –	4	10,410 –
123	Jessie Gilbert	634	13 –	4	8,242 –
152	James Childs	756	14 –	4	10,584 –
161	Khimjee Oodhowjee	909	13 8	4	12,271 8
60	Kingston	1,208	9 –	6	10,872 –
148	Knighton	1,048	13 –	4	13,624 –
B21	Kooria Mooria	1,112	7 8	6	8,340 –
112	Kussovie	374	8 8	4	3,179 –
50	Lord Palmerston	1,057	8 8	6	8,984 8
62	Louisa	939	9 –	6	8,451 –
B13	Mandalay	745	–	6	6,250 –
54	Maggie Lauder	997	8 8	6	8,474 8
61	Mai Blumie	1,189	10 –	6	11,890 –
99	Mabel	1,259	11 –	6	13,849 –
86	Mayaram Dayaram	694	7 8	6	5,205 –
96	Mary Fry	986	9 –	4	8,874 –
165	Melmerby	1,510	14 –	4	21,140 –
163	Mary Stenhouse	1,243	13 8	4	16,780 8
158	Mary Ann	664	11 –	4	7,304 –
–	Morning Star	481·56	13 –	4	6,260 –
97	Mofussilite	1,008	11 –	6	11,088 –
143	Moderation	1,267	12 8	4	15,837 8
157	Michael Scott	1,197	14 –	4	16,758 –
B35	North Wind	783	9 –	6	7,047 –
101	Nimrod	890	9 8	4	8,455 –
B43	Nicholas Curvin	549	9 –	4	4,941 –
104	Nelson	1,248	10 –	4	12,480 –
159	Napier	1,424	10 –	4	14,240 –
127	Norman	254	13 –	4	3,302 –
52	Oriflamme	1,369	10 8	6	14,374 8
87	Octavia	950	9 –	6	8,550 –
B45	Oliver Cromwell	1,112	9 8	4	10,564 –
B15	Peckforton Castle	1,088	8 –	6	8,704 –
81	Philosopher	1,059	11 –	6	11,649 –
84	Percy Douglas	781	9 –	6	7,029 –
B11	Peerless	1,005	10 –	4	10,050 –
107	Phœnix	574	10 8	4	6,027 –
28	Pride of Ganges	641	10 –	4	6,410 –
116	Pearl of India	1,328	10 12	4	14,276 –
136	Prem. Roychund	1,258	14 –	4	17,612 –
B7	Queen of Australia	1,238	10 8	6	12,999 –
151	Queensland	950	13 –	4	12,350 –
79	Royal Saxon	1,109	9 8	6	10,535 8
B44	Rowena	1,174	10 –	4	11,740 –
108	Royal Edward	1,508	10 12	4	16,211 –
115	Royal Standard	2,082	11 –	4	22,902 –
153	Rhumany	809	11 –	4	8,899 –
B5	Star of the North	935	9 8	6	8,882 8
106	Star of Brunswick	1,636	11 –	4	17,996 –
51	Star of India	1,045	9 –	6	9,405 –
59	Sam Cearns	1,422	9 8	6	13,509 –
78	Sophia Joakim	1,000	9 –	6	9,000 –
85	Scotland	1,170	10 –	6	11,700 –
93	Sir Hugh Rose	974	8 4	6	8,035 –
98	Sydney Dacres	1,379	9 –	6	12,411 –
B46	Shaw Jehan	698	9 –	4	6,282 –
48	Spray of Ocean	805	10 –	4	8,050 –
126	Stag	523	13 –	4	6,799 –
149	Scimitar	1,188	14 –	4	16,632 –
B17	Tanjore	989	8 –	6	7,912 –
141	Teazer	363	12 –	4	4,356 –
–	Trafalgar	1,102	14 –	4	15,428 –
–	Tim Wiffler	1,132·69	13 –	4	14,725 –
162	Trriell	1,013·51	12 –	4	12,162 –
B20	Vanda	1,141	7 8	6	8,557 8
95	Victoria Cross	1,262	11 –	6	13,882 –
140	Western Empire	1,245	13 –	4	16,185 –
100	Western Star	891	9 –	4	8,019 –
125	Waterloo	1,222	14 –	4	17,108 –
128	Windsor Castle	1,074	14 –	4	15,036 –
B19	Yorrik	1,402	7 8	6	10,515 –
64	Zenobia	1,145	9 8	6	10,877 8
56	Zoroaster	1,207	10 –	6	12,070 –
B26	Zulette	768	9 –	6	6,912 –
		148,150			15,60,681

Note.—There are seven or eight vessels now under survey prior to being chartered that are not included in this list.

List of Ships chartered for and employed in connection with the Abyssinian Expedition—*continued.*

CHARTERED AT CALCUTTA.

No.	Name.	Tonnage.	Rate per Ton.	Chartered for.	Monthly Amount Payable.
	Steamers:	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*
116	Bengal	2,185	27 8	6	59,947 8
118	Catharine Apcar	840	25 0	6	46,200 –
139	Far East	1,259	30 0	6	37,770 –
101	Golconda	1,909	27 8	6	52,497 8
103	T. A. Gibb	851	25 –	3	21,275 –
126	Himalaya	1,341	27 8	6	36,877 8
125	Oriental	1,006	–	6	38,000 –
138	Punjaub	883	25 –	–	22,075 –
		10,274			314,642 8
	Tug Steamers:				
137	Alexandra	363	–	6	12,000 –
128	Bombay	423	–	6	13,500 –
133	Challenge	468	–	6	13,500 –
134	Court Hey	488	–	6	13,500 –
132	Defiance	408	–	6	13,500 –
129	Electric	395	–	6	13,500 –
135	Hunsdon	488	–	6	13,500 –
131	Mauritius	423	–	6	12,000 –
130	Paris	423	–	6	12,000 –
		3,879			117,000 –

No.	Name.	Tonnage.	Rate per Ton.	Chartered for.	Monthly Amount Payable.
	Sailing Ships:	*Tons.*	*Rs. a.*	*Mths.*	*Rs. a.*
117	Alabama	949	14 –	6	13,286 –
136	Atalanta	930	13 8	3	12,555 –
108	Challenge	1,264	13 –	6	16,432 –
106	Callierhœ	1,257	13 –	6	16,341 –
111	Continental	1,464	17 –	6	24,888 –
105	Dallam Tower	1,499	17 –	6	25,483 –
119	Durham	1,286	17 –	6	21,862 –
107	Ellen Stewart	1,643	16 –	6	26,288 –
121	Howrah	1,097	17 –	6	18,649 –
123	India	912	14 –	6	12,768 –
112	Legion of Honour	1,219	17 –	6	20,723 –
120	Malabar	1,219	17 –	6	20,723 –
102	Middlesex	1,191	15 –	6	17,865 –
110	Nile	1,250	15 –	6	18,750 –
127	Ophir	847½	12 –	6	10,170 –
124	Queen of India	1,043	16 –	6	16,688 –
113	Squando	1,220	16 –	6	19,520 –
115	St. Alban's	1,265	15	6	18,975 –
122	Vernon	1,319	17 –	6	22,423 –
114	Underley	1,292	17 –	6	21,964 –
109	Waterwitch	1,046	14 –	6	14,644 –
104	Winchester	1,157	15 –	6	17,355 –
		26,369			339,994 –

CHARTERED AT SUEZ.

No.	Names.	Tonnage.	Rate per Ton.	Chartered for.	Monthly Amount Payable.
	Steamers:	*Tons.*	*Rs. a.*	*Month.*	*Rs. a.*
–	Cossier	– –	– –	– –	21,000 –
–	Hodeida	– –	– –	– –	18,000 –
–	Samanond	– –	– –	– –	30,000 –
–	Yanbo	– –	– –	– –	18,000 –
–	Penguin (Tug)	– –	– –	– –	3,000 –
	Total	– –	– –	– –	90,000 –

CHARTERED IN ENGLAND.

No.	Name.	Tonnage.	Rate per Ton.	Chartered for.	Monthly Amount Payable.
	Steamers:	*Tons.*	*Rs. a. p.*	*Month.*	*Rs. a.*
1	American	1,831	12 6 8	– –	22,735 –
7	Californian	1,831	17 8 –	– –	32,042 8
2	City of Dublin	1,998	17 8	– –	34,965 –
1	City of Manchester	1,919	17 8 –	– –	33,582 8
3	England	3,307	17 8 –	– –	57,872 8
6	Kangaroo	1,719	16 4 –	– –	27,934 –
5	Peruvian	2,245	16½ – –	– –	36,200 8
4	Queen	3,517	18 12 –	– –	65,943 12
8	West Indian	1,804	13 – –	– –	23,452 –
	Hospital Ships:				
9	Golden Fleece	2,768	15 – –	– –	41,520 –
10	Mauritius	2,134	15 – –	– –	32,010 –
11	Queen of the South	2,090	15 – –	– –	31,350 –
	Total Tonnage	27,163	Total	*Rs.*	439,607 12

The "Bosphorus" was also chartered by the English Government, but was wrecked on the outward passage, at the Cape of Good Hope.

In addition to the above, five vessels were chartered in England for the conveyance of mules between the Mediterranean ports of 5,002 aggregate tonnage.

VESSELS PURCHASED FOR THE EXPEDITION.

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Steamers.	Tons.
Earl Canning	661
Lord Elphinstone	654
Sir John Lawrence	577
Total Tons	1,892

Steam Tugs *	Tons.
Carnac (barge)	80
Clare (barge)	80
Jorawur (tug)	183
Pehlwan „	60
Rustum „	97
Spitfire „	136
Total Tons	636

* In addition to these, various barges and small craft have been purchased.

SUMMARY.

	Steamers.	Tonnage.	Monthly Hire.
		Tons.	*Rs*
24	Chartered at Bombay	25,163	5,58,162
8	„ Calcutta	10,724	3,14,642
12	„ England†	27,163	4,39,607
4	„ Suez	-	87,000
3	Purchased at Bombay	1,892	—
5	Chartered for Mediterranean	—	—
56	Total	64,942	13,99,411
	Steam Tugs and Barges:		
9	Chartered at Calcutta	3,879	1,17,000
1	„ Suez	60	3,000
6	Purchased at Bombay	636	—
16	Total	4,575	1,20,000
	Sailing Ships:		
144	Chartered at Bombay	148,150	15,60,681
22	„ Calcutta	26,369	8,39,994
166	Total	174,519	24,00,675
238	Grand Total	244,036	39,20,086

† Includes three Hospital Ships.

To the above number should be added at least 15 steam and other vessels of the Royal Navy and Bombay Marine employed in connection with the Expedition, besides, it is understood, about 40 native buggalows taken up at Bombay for conveyance of hay, &c., at specified rates per bale.

Extract from letter of Mr. *C. Turner* to the Secretary of the Treasury, London, dated 14th July 1868. (No. 26.)

Para. 8. With few exceptions all the Abyssinian Transports have now returned from Annesley Bay, but a large proportion remain still in the pay of Government, as the returned stores brought therein have not yet been landed.

It has been found that the amount realised by the sale of many of the bulky stores, such as compressed hay, &c., barely covers in many instances the cost of landing, considering the time occupied and the number of boats employed in discharging the cargoes of the ships during the heavy monsoon weather now daily prevailing, and to this, of course, should be added the pay of the transports daily accruing; indeed it would have doubtless proved more economical had such cargoes have been thrown overboard before the transports arrived in Bombay Harbour.

Some of the transports having been chartered in Calcutta, they also will remain in the pay of Government until they reach and are discharged at that port.

Para. 9. I beg to annex a memorandum which I have drawn up for their Lordships' information from such incomplete data as is at the present time available, of the probable total amount of the charges in India to Her Majesty's Government on account of the Expedition, by which it will appear that barely one-half of the total expenditure has yet been accounted for.

App. No. 7.

Abyssinian Expedition.

Memorandum of Charges outstanding, including as regards Presidencies other than *Bombay*, only the Amounts already reported therefrom, except under head of "Hire of Transports," at *Calcutta*.

		£.	£.
	Transport and Marine.		
Bombay -	Hire of Transports, Coals, and Marine charges:		
	May 1868 - - -	280,000	Actuals.
	June „ - - -	240,000	
	Charges for Coals, &c. kept back, pending settlement of question, of charging 5 per cent. thereon -	120,000	
		640,000	
	Final payments in July and following Months, for Hire of Transports - - - - (estimated)	250,000	890,000
Suez - -	Hire of Egyptian Transports, six in number, at 400 *l.* a day, say for 2½ months - - - - - -	- -	30,000
Calcutta -	Total Monthly Rate of Expenditure for Hire of Transports - - - - - - - - - -	80,000 7	
	Say from 1st December 1867 to the 30th June 1868 (seven Months) partly actuals	560,000	
	Less: Charges already included in April Account - -	45,000	515,000
	Coals: Charges reported - - - - (actuals)	- -	55,000
	Military.		
Bombay -	Commissariat, Ordnance, &c. to be included in May Account - - - - - - - (actuals)	- -	420,000
	Ordnance outstanding, say— - - - - - -	40,000	
	Commissariat and Land Transport, to complete, say—	300,000	
	Compensation to Contractors in Egypt for abandonment of their Contracts - - - (actuals)	60,000	400,000
Calcutta -	Commissariat, Ordnance, &c. up to end of January -	110,000	Actuals, but at present insufficiently vouched for.
Punjab -	Purchase of Mules and Gear - - - - - -	63,000	
Bombay -	Public Works Department Charges (Railway Materials, &c.) - - - - - - - - - -	72,000	
			245,000
	Carried forward - - - £.		2,555,000

ABYSSINIAN EXPEDITION—*continued.*

		£.	£.
BOMBAY—*continued.*	MILITARY—*continued.*		
	Brought forward - - -	- -	2,555,000
	Donation War Batta to Troops (part probably will be paid in England) - - - - - - - -	- -	130,000
	Advances outstanding by Resident at Aden, on account of the Expedition - - - - - - - -	- -	200,000
	TOTAL probable Charges yet to be accounted for - £		2,885,000*
	Add:		
	Charges already reported in the Accounts sent to England, to end of April 1868 - - - - - - - - -		2,465,531
	Probable Total Expenditure in India, wholly exclusive of direct Charges paid in England by Imperial Government - - - - - - - - -	£.	5,350,531

Bombay, 10th July 1868. (signed) *C. Turner.*

Note.—It will be seen that no sum has been abated for the credits likely to be afforded for the sale of Abyssinian stores. Although these are considerable in quantity, the amount realised by their sale at present is small (about 18,000 *l.*), and it is impossible, therefore, to arrive at any satisfactory basis for estimating the total, particularly as it is not at present known what proportion of the serviceable stores, mules, or cattle, will be taken over by the Bombay Government.

Another source from which a credit will arise, is the sale or appropriation of the vessels and boats purchased outright for the expedition, it is understood that some part of these will be taken over by the Bombay Government, but, although I have specially brought this under consideration, I believe, as yet no decision has been come to thereon.

* *Remark.*—I find the transports returned to Bombay are not being so rapidly discharged as I had counted upon; 150 are now in the pay of Government, at a monthly cost of 200,000 *l.*, and I fear, with the small means here of transhipping the stores they will not all be discharged even by end of July.

14th July. (signed) *C. T.*

LETTER from Mr. *C. Turner* to Mr. *G. A. Hamilton.*

(No. 43.)

Sir, Bombay, 19 December 1868.

1. I have the honour to transmit Statements Nos. 1 and 2 exhibiting the total actual and estimated charges in India on account of the Abyssinian Expedition.

2. These I should have prepared and forwarded some time since had I been in a position to have framed them with any accuracy, but it is only lately that the full extent of the Field Commissariat and land transport charges, and those incurred in Calcutta have been apparent.

3. The total of 7,039,850 *l.* is far in excess of what I had previously expected, and in fact reported as probable to their Lordships on the 14th July last; but I then stated the extent of the Calcutta charges were not known; besides, the transports were kept generally much longer in the pay of Government than could have been then anticipated owing to the slow progress made in landing the returned Abyssinian stores at Bombay, and to the fact of several of the Calcutta transports having first brought troops from Annesley Bay to Bombay, proceeding afterwards to Calcutta to be discharged under their Charter Parties.

4. These statements have been carefully prepared, and as will be seen, are mainly composed of actual figures taken from the accounts sent in, or obtained by telegraph from Calcutta; I would beg to observe, however, that there is very little data to guide one in estimating the amount of receipts likely to accrue by the sale or appropriation of returned stores; it is probable, therefore, that the sum of 184,337 *l.* credited in the statement may be exceeded.

5. Including the Account of marine payments, from July to September 1868, of 838,553 *l.* 15 *s.* 3 *d.* which will be dispatched from Bombay by the next mail, the total of the charges in India already reported will be 5,146,886 *l.* 17 *s.* 3 *d.*, and the accounts for the difference then remaining to complete the total shown in Statement No. 1 of about 7,039,850 *l.* will doubtless reach England by the end of May next.

I have &c.

G. A. Hamilton Esq. &c. &c. &c. Treasury. (signed) *C. Turner.*

No. 1.—STATEMENT of the Actual and Estimated CHARGES of the ABYSSINIAN EXPEDITION

ACCOUNTS ALREADY SENT TO ENGLAND.	NAVY. Hire of Transports. — Purchase of Vessels. — Freight of Troops and Stores. — Mess of Army Officers.	NAVY. Coals, Naval Stores and Fittings of Transports.	NAVY. Pay to Crews of Vessels and Transport Officers. — Bedding, Provisions, and other Marine Charges.	ARMY. Staff Pay, Special Corps, Field Batta, and Extra Regimental Charges, and Field Works. — Donation Batta.	ARMY. Pay, Commissariat and Land Transport Staff and Establishments. — Provisions and Stores. — Movement of Troops.
CIVIL AND MARINE:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
No. 1, up to November - - 1867 -	91,846 - -	361 - -	235 - -	36 - -	- - -
„ 2, for December - - „ -	74,997 - -	- - -	1,962 - -	60 - -	- - -
„ 3, „ January - - 1868 -	134,733 - -	51,465 - -	917 - -	170 - -	- - -
„ 4, „ February - - „ -	147,972 - -	27,481 - -	4,635 - -	712 - -	100 - -
„ 5, „ March - - „ -	209,010 - -	10,741 - -	1,067 - -	- - -	- - -
„ 6, „ April - - - „ -	254,350 - -	18,106 - -	3,671 - -	474 - -	14 - -
„ 7, „ May - - - „ -	228,138 - -	62,108 - -	2,349 - -	37 - -	64 - -
„ 8, „ June - - - „ -	396,854 - -	129,116 - -	5,177 - -	1,804 - -	- - -
„ 9,* „ July to September „ -	628,710 - -	175,564 - -	21,120 - -	1,831 - -	- - -
GROSS TOTAL - - -	2,166,610 - -	474,942 - -	41,133 - -	5,124 - -	178 - -
Less:—Receipts credited in above Accounts - - - - -	4,853 - -	14,096 - -	10 - -	- - -	- - -
NAVY—NET TOTAL - - -	2,161,757 - -	460,846 - -	41,123 - -	5,124 - -	178 - -
MILITARY:					
No. 1, up to November 1867 - - -	401 - -	5,687 - -	586 - -	1,573 - -	27,052 - -
„ 2, for December „ - - -	11,006 - -	9,688 - -	735 - -	1,857 - -	80,315 - -
„ 3, „ January 1868 - - -	3,670 - -	75 - -	1,108 - -	2,509 - -	74,167 - -
„ 4, „ February „ - - -	18,340 - -	11,632 - -	1,700 - -	3,418 - -	88,705 - -
„ 5, „ March „ - - -	19,236 - -	17,992 - -	623 - -	2,028 - -	67,775 - -
„ 6, „ April - „ - - -	87,787 - -	15,339 - -	988 - -	18,591 - -	124,932 - -
„ 7, „ May - „ - - -	31,276 - -	8,282 - -	626 - -	5,012 - -	215,200 - -
„ 8, „ June - „ - - -	37,710 - -	1,193 - -	843 - -	33,876 - -	73,615 - -
GROSS TOTAL - - -	209,426 - -	69,888 - -	7,209 - -	68,864 - -	751,761 - -
Less:—Receipts credited in above Accounts - - - - -	1,859 - -	- - -	317 - -	232 - -	13,712 - -
ARMY:—NET TOTAL - - -	207,567 - -	69,888 - -	6,892 - -	68,632 - -	738,049 - -
ABSTRACT:					
Civil and Marine Accounts - - -	2,161,757 - -	460,846 - -	41,123 - -	5,124 - -	178 - -
Military - - - - - - - -	207,567 - -	69,888 - -	6,892 - -	68,632 - -	738,049 - -
Add—Amount of Outstandings (Actual and Estimated) yet to be accounted for, as per annexed Statement - - - -	712,740 - -	50,000 - -	- - -	120,000 - - / 124,830 - -	606,820 - -
Probable Net Totals of Charges to Abyssinian Expedition in India -	3,082,064 - -	580,734 - -	48,015 - -	198,586 - - / 120,000 - -	1,345,047 - -

* About to be Dispatched.

Bombay, 18 December 1868.

brought to Account in *India*, including the OUTSTANDING CHARGES per Statement No. 2.

ARMY.

Purchase of Mules, Camels, Forage, and Gear.	(C.) Warm Clothing. Medical Establishments and Supplies.	Ordnance Establishments and Supplies.	Other Military Charges.	Railway Plant and Charges of Public Works Department.	Miscellaneous Civil Political.	TOTAL.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
- - -	- - -	- - -	- - -	- - -	722 - -	93,200 - -
- - -	- - -	- - -	- - -	6,194 - -	362 - -	83,575 - -
- - -	- - -	- - -	- - -	5,662 - -	1,094 - -	194,041 - -
- - -	- - -	- - -	- - -	60 - -	959 - -	181,919 - -
- - -	- - -	- - -	- - -	- - -	1,172 - -	221,990 - -
- - -	- - -	- - -	271 - -	- - -	241 - -	277,127 - -
- - -	- - -	- - -	- - -	- - -	211 - -	292,907 - -
- - -	- - -	- - -	764 - -	77,344 - -	2,709 - -	613,768 - -
- - -	- - -	- - -	25 - -	- - -	17,686 - -	844,936 - -
- - -	- - -	- - -	1,060 - -	89,260 - -	25,156 - -	2,803,463 - -
- - -	- - -	- - -	32 - -	69 - -	785 - -	19,845 - -
- - -	- - -	- - -	1,028 - -	89,191 - -	24,371 - -	2,783,618 - -
28,223 - -	31 - - / (C) 13,872 - -	4 - -	779 - -	- - -	- - -	78,208 - -
68,762 - -	1,251 - - / (C) 9,792 - -	3,645 - -	649 - -	- - -	- - -	187,700 - -
53,190 - -	706 - - / (C) 20,116 - -	818 - -	1,679 - -	- - -	- - -	158,038 - -
89,783 - -	1,916 - - / (C) 38,358 - -	402 - -	1,054 - -	- - -	- - -	255,308 - -
31,957 - -	4,006 - - / (C) 22,618 - -	1,568 - -	853 - -	- - -	- - -	168,656 - -
230,968 - -	19,588 - - / (C) 43,270 - -	25,765 - -	1,729 -	- - -	- - -	568,957 - -
378,697 - -	9,988 - - / (C) 19,664 - -	52,179 - -	579 - -	- - -	- - -	721,503 - -
48,124 -	15,034 - - / (C) 29,277 - -	27,801 - -	2,050 - -	- - -	- - -	269,523 - -
929,704 - -	52,520 - - / (C) 196,967 - -	112,182 - -	9,372 - -	- - -	- - -	2,407,893 - -
6,130 - -	686 - - / (C) 417 - -	21,258 - -	13 - -	- - -	- - -	44,624 - -
923,574 - -	51,834 - - / (C) 196,550 - -	90,924 - -	9,359 - -	- - -	- - -	2,363,269 - -
- - -	- - -	- - -	1,028 - -	89,191 - -	24,371 - -	2,783,618 - -
923,574 - -	51,834 - - / (C) 196,550 - -	90,924 - -	9,359 - -	- - -	- - -	2,363,269 - -
319,000 - -	(C) 21,350 - - / 13,610 - -	76,950 - -	- - -	- - -	32,000 - -	2,077,300 - -
1,242,574 - -	(C) 217,900 - - / 65,444 - -	167,874 - -	10,387 - -	89,191 - -	56,371 - -	7,224,187 - -

	£. s. d.	£. s. d.
Less—Receipts for Sale, &c., of Stores, &c., viz.:—		
July to November 1868 (Actual) - - -	104,337 - -	
Estimated to Complete - - - -	80,000 - -	
		184,337 - -
Probable Net Grand Total Charges in India - - - £.		7,039,850 - -

(signed) *C. Turner.*

STATEMENT, No. 2, of the Actual and Estimated Outstanding Charges of the Abyssinian Expedition (East of *Suez*) to close.

	NAVY.			ARMY.								
	1. Hire of Transports. — Purchase of Vessels. — Freights of Troops and Stores. — Mess of Army Officers.	2. Coals, Naval Stores, and Fittings of Transports.	3. Pay to Crews of Vessels and Transport Officers. — Bedding, Provisions, and other Marine Charges.	4. Staff Pay, Special Corps, Field Batta, and Extra Regimental Charges. — *Donation Batta.*	5. Pay, Commissariat and Land Transport Staff and Establishments — Provisions and Stores. — Movement of Troops.	6. Purchase of Mules, Camels, Forage, and Gear.	7. (*c*) Warm Clothing. — Medical Establishments and Supplies.	8. Ordnance Establishments and Supplies.	9. Other Military Charges.	10. Railway Plant and Charges of the Public Works Department.	11. Miscellaneous, Civil, Political, &c.	12. Total.
MILITARY: BOMBAY.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Pay Department: (July to September 1868):	£.											
Scinde Paymaster	765											
Poona	12,065	*a*										
Bombay	18,650											
Regimental Officers	15,000											
Field Paymasters { Knight	10,240											
Field Paymasters { Young	11,400											
Treasurer, Field Force	450											
	£. 68,570	*a* 25,000 (Mess of officers in transports.)	- -	- -	43,570 (actuals) -	- -	- -	-	- -	-	- -	68,570
Estimated similar charges to complete		10,000	- -	- -	11,500 -	- -	- -	-	- -	-	- -	21,500
Donation Batta charges paid to date, but not yet reported to England		- -	- -	- -	*105,000 (actuals)* -	- -	- -	-	- -	-	- -	105,000
Commissariat (including part of Transport Train Charges), viz.:												
Payments by Commissariat Departments at Bombay, Poona, Aden, Kurrachee, and Suez, adjusted in—	£.											
Actuals { July 1868	43,650											
Actuals { August 1868	46,420											
Actuals { September 1868	35,050											
Actuals { October 1868	47,970											
Estimated Arrear Charges paid in November and December 1868	90,000	30,000 (Proportion for hire of Egyptian transports.)	- -	- -	(Mostly actuals) 233,090	- -	- -	-	- -	-	- -	263,090
	£. 263,090											

Field Commissariat Charges yet outstanding brought to account at Poona in— £. July 1868 - - - - - - - - 69,380 August 1868 - - - - - - - 61,510 September 1868, less Bunder Master's charges (below) - - - - - - - 13,190 October 1868 - - - - - - - 19,370 Yet to be adjusted - - - - - 70,000 (Actuals) - - - £. 233,450	-	-	-	-	-	-	-	(actuals) 233,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233,450
Bunder Master's Accounts, Zoola, for hire of boats, &c. -	40,670 (actuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,670
Total of Accounts of Director of Transport Train, for pay of followers, purchase of stores, &c. (now being examined at Poona) - - - - - - - - - -	-	-	-	-	-	-	-	-	-	(actuals) 280,000	-	-	-	-	-	-	-	-	-	-	-	-	-	280,000
ORDNANCE: As per List sent in by Ordnance Examiner for— £. March 1868 (Supply) - - - - - 55,300 May „ - - - - - - 2,400 June „ - - - - - - 9,000 £. 66,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,700 (actuals)	-	-	-	-	-	-	-	-	66,700
MEDICAL: As per Lists from Medical Examiner for— £. January 1868 - - - - - - 5,200 February „ - - - - - - 6,270 March „ - - - - - - 290 April „ - - - - - - 76 May „ - - - - - - 94 £. 11,930	-	-	-	-	-	-	-	-	-	-	-	-	11,930 (actuals)	-	-	-	-	-	-	-	-	-	-	11,930
MISCELLANEOUS DEPARTMENTS:																									
Field Railway Establishment Charges - - - -	-	-	-	-	-	-	13,000	(actuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,000
Army Works Corps - - - - - - - - -	-	-	-	-	-	-	11,000	(actuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000
Muscat: Purchase of Donkeys, &c. - - - -	-	-	-	-	-	-	-	-	-	-	5,000 (actuals)	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Political: Pay to Chiefs and purchase of presents, &c., Aden and Abyssinia - - - - - - - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(actuals) 32,000	-	-	-	-	32,000
PUNJAB:																									
Charges yet to be adjusted for purchase of Mules at Lahore, &c. - - - - - - - - - -	-	-	-	-	-	-	-	-	-	-	14,000 (actuals)	-	-	-	-	-	-	-	-	-	-	-	-	14,000
Accounts of officers of the Punjab Mule Train (Amount of outstanding advances) - - - - - - -	-	-	-	-	-	-	*15,000 (Punjab Mule Train).*	-	-	-	20,000	-	-	-	-	-	-	-	-	-	-	-	-	35,000

STATEMENT, No. 2, of the Actual and Estimated Outstanding Charges of the Abyssinian Expedition (East of *Suez*) to close—*continued*.

	NAVY.			ARMY.								
	1. Hire of Transports. — Purchase of Vessels. — Freight of Troops and Stores. — Mess of Army Officers.	2. Coals, Naval Stores, and Fittings of Transports.	3. Pay to Crews of Vessels and Transport Officers. — Bedding, Provisions, and other Marine Charges.	4. Staff Pay, Special Corps, Field Batta, and Extra Regimental Charges. — *Donation Batta.*	5. Pay, Commissariat and Land Transport Staff and Establishments. — Provisions and Stores. — Movement of Troops.	6. Purchase of Mules, Camels, Forage, and Gear.	7. (*c*) Warm Clothing. — Medical Establishments and Supplies.	8. Ordnance Establishments and Supplies.	9. Other Military Charges.	10. Railway Plant and Charges of the Public Works Department.	11. Miscellaneous, Civil, Political, &c.	12. TOTAL.
MILITARY—*continued*.												
MADRAS:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Field Batta, &c., to Regiments absent in Bombay Presidency, say for six months from, June to November at 5,000 *l.*	- -	- -	- -	30,000	- -	- -	- -	- -	- -	- -	- -	30,000
Railway Charges for 1st Regiment Madras Light Cavalry from Poona to Kamptee (estimated)	- -	- -	- -	- -	6,500	- -	- -	- -	- -	- -	- -	6,500
CALCUTTA:												
COMMISSARIAT:												
As per List of Charges lately received, wanting proper vouchers—												
	£.											
December 1867	2,750											
January 1868	27,410											
February 1868	45,360											
March 1868	7,960											
Stud for March 1868	300											
	£. 83,780	- -	- -	- -	- (actuals)	83,780	- -	- -	- -	- -	- -	83,780
CLOTHING:												
As per List for—	£.											
February 1868	20,800											
March 1868	550											
	£. 21,350	- -	- -	- -	- -	- -	- -	- -	(*c*) 21,350	(actuals) -	- -	- -	21,350
PAY:												
As per Lists for—	£.											
December 1867	2,560											
January 1868	2,570											
February 1868	5,360											
March 1868	5,270											
	£. 15,760	- -	- -	- -	15,760 (actuals) -		- -	- -	- -	- -	- -	15,760

MEDICAL:																						
As per Lists for—	£.																					
December 1867	1,250																					
January 1868	430																					
£.	1,680	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,680 (actuals)	-	- -	-	- -	- -	1,680					
ORDNANCE:																						
As per Lists for—	£.																					
December 1867	8,480																					
January 1868	1,770																					
£.	10,250	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	(actuals)	10,250	- -	- -	- -	- -	- -	10,250			
Approximate Total of Calcutta Charges (Commissariat, &c.), after March, to complete, as per Telegram - -		- -	- -	- -	- -	- -	- -	50,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	50,000			
MARINE DEPARTMENT:																						
BOMBAY.																						
HIRE OF TRANSPORTS:																						
A A 2 Actual Payments for October 1868	£. 80,880																					
" November 1868	61,060																					
" 1 to 14 December 1868	17,400																					
£.	159,340	159,340	(actuals) -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	159,340			
Estimate to complete - - - - - - -		110,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	110,000			
Supplies of stores, fittings, &c., from Bombay Dockyard, &c., outstanding and estimated - - - - - -		- -	50,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	50,000			
CALCUTTA (Civil Department):																						
Hire of transports, and other marine charges, subsequent to August 1868, as per telegram - - - - - -		145,000	(actuals) -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	145,000			
Add,—Charges received in Bombay not yet dealt with -		35,000																35,000			
CALCUTTA (Military Department):																						
Hire of transports, &c., paid by above for January and February 1868 - - - - - - - - -		59,400	(actuals) -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	59,400			
Ditto - - for March 1868 - - - - -		98,330																98,330			
TOTAL Charges outstanding, yet to be included in the accounts to be sent to England (carried to Statement No. 1) - - - -	£.	712,740	50,000	- -	124,830 / *120,000*	606,820	319,000	(c) 21,350 / 13,610	76,950	- -	- -	- -	32,000	2,077,300								

Bombay, 18 December 1868.

ABYSSINIAN EXPEDITION.

STATEMENT of the Total RECEIPT and EXPENDITURE in *India* connected with the ABYSSINIAN EXPEDITION as exhibited in the several detailed Accounts prepared at *Bombay*, and transmitted to *England*, also of the actual and Estimated Outstandings to complete.

Service.	No. of Item.	Heads of Receipt and Expenditure.	Amount. £. s. d.	Totals. £. s. d.
		ARMY.		
		CHARGES.		
Staff and Regimental Charges	1	Pay and contingencies, army staff and establishments	31,157 6 2	
	2	Staff pay to regimental officers	7,797 12 –	
	3	Field batta, depôt and other extra regimental charges	57,375 14 2	
	4	Pay of special corps and departments organised for the Expedition (not including Transport Train)	26,199 10 7	
	5	Materials and labour for field works (*see* also under Public Works Department charges)	18,179 – –	
	6	Field telegraph and postal establishments	2,884 16 11	
	7	Remount charges	4,942 2 7	
	8	Surveying charges and instruments	978 13 1	
	9	Six months' donation batta to the Field Force	92,913 18 6	
				242,428 14 –
Commissariat and Land Transport	10	Staff pay of Commissariat officers, and pay of establishments	18,629 1 –	
	11	Staff pay of officers of Land Transport Corps	22,111 16 6	
	12	Wages, subordinate Commissariat establishments, and pay of muleteers, drivers, and other subordinates of Transport Train	202,069 16 –	
	13	Purchase of animals (elephants, camels, bullocks, mules, ponies, and donkeys)	471,468 19 –	
	14	Supplies of provisions and rations, Commissariat stores and implements	635,002 18 9	
	15	Forage and keep of amimals	506,516 – 2	
	16	Cattle, gear, implements, &c.	155,151 9 7	
	17	Land carriage of provisions, forage, and stores in India, and by natives in Abyssinia, also pressing hay into bales	316,872 13 4	
	18	Loading, shipping, and landing provisions, forage, and stores	105,822 5 10	
	19	Movement of troops (railway conveyance in India and Egypt)	84,302 13 10	
				2,517,947 14 –
Clothing	20	Warm clothing for gratuitous issue to the Field Force	203,989 1 3	203,989 1 3
Judge Advocate General	21	Pay, &c., Judge Advocate General's Department	1,447 15 9	1,447 15 9
Ecclesiastical	22	Salaries, &c. Ecclesiastical Department	1,087 11 7	1,087 11 7
Medical	23	Staff pay of medical officers, and wages of subordinate establishments	21,931 4 3	79,101 17 5
	24	Medicines, surgical instruments, and hospital stores generally	57,170 13 2	
Ordnance	25	Staff pay of Ordnance officers, pay of lascars and subordinates of Military Store Department	8,121 9 9	226,970 9 6
	26	Arms, Ordnance stores, camp equipage, and miscellaneous stores	209,267 3 6	
	27	Land carriage of arms and stores (in India)	9,581 16 3	
Political and Miscellaneous	28	Telegraphic messages	6,740 12 –	42,469 9 7
	29	Advertisements	434 6 9	
	30	Political services, presents, and contingencies	12,065 – 5	
	31	Freight of, and charges on treasure, consigned to the Field Force	20,939 5 4	
	32	Miscellaneous services	2,290 5 1	
Administrative	33	Salaries of extra establishments of Administrative Departments in India	7,157 13 –	7,157 13 –

STATEMENT of the Total Receipt and Expenditure in *India* connected with the Abyssinian Expedition, &c.—*continued.*

Service.	No. of Item.	Heads of Receipt and Expenditure.	Amount. £. s. d.	Totals. £. s. d.
		ARMY — *continued.*		
		CHARGES—*continued.*		
Public Works Department	34	Abyssinian railway material and railway stock	61,893 5 4	
	35	Pile piers and teak posts for landing troops and stores at Annesley Bay; also field telegraph posts and water piping	16,670 14 5	
	36	Miscellaneous stores for Field Engineers and Army Works Corps	8,312 17 4	
	37	Commissariat sheds and repairs to depôt, Bombay	8,419 15 7	
	38	Commissariat sheds, Zoola	7,035 15 5	
	39	Materials for general hospitals in Abyssinia, hutting troops, and erecting Ordnance and other store sheds in Abyssinia	15,654 4 4	
	40	Temporary lines and accommodation for troops on return to India	6,238 14 6	
	41	Steam cranes, Zoola; sinking wells; ramps for facilitating embarkation of troops; and other services	2,283 3 2	
	42	Loading, shipping, and landing railway and field engineers' stores and miscellaneous items	7,411 11 8	
				133,920 1 9
				3,456,520 7 10
		RECEIPTS AND CREDITS.		
Commissariat and Land Transport	43	Regimental pay (refunds and recoveries)	10,327 17 –	
	44	Donation batta (refunds)	24 – –	
	45	Wages, Commissariat establishments (refunds)	696 – 11	
	46	Issues of provisions and rations on payment	8,892 17 10	
	47	Provisions, forage, and Commissariat stores sold by auction	179,220 1 4	
	48	Ditto, taken over by Indian Government	19,678 6 –	
	49	Purchase of mules, &c. (refund)	3,212 7 –	
	50	Bullocks, mules, and other animals sold by auction	18,634 17 10	
	51	Ditto, taken over by Indian Government (including returned elephants)	33,956 14 –	
	52	Sale of cattle gear	8,945 14 –	
	53	Other Commissariat receipts	71 17 4	
Clothing	54	Issues of, and sales by auction of warm clothing	10,509 15 –	
	55	Ditto, taken over by Bombay Government	10,608 16 –	
Medical	56	Pay of medical officers (refunds)	839 2 10	
	57	Medicines and medical stores taken over by Indian Government	962 4 1	
Ordnance	58	Ordnance stores, camp equipage, &c., taken over by Indian Government	105,013 12 5	
Miscellaneous	59	Miscellaneous receipts	151 7 1	
Public Works	60	Public Works Department credits	1,193 11 8	
				412,939 2 3
		Net Expenditure shown under "Army" in Accounts	£.	3,043,581 5 7

STATEMENT of the Total Receipt and Expenditure in *India*, connected with the Abyssinian Expedition, &c.—*continued*.

Service.	No. of Item.	Heads of Receipt and Expenditure.	Amount. £. s. d.	Total. £. s. d.
		NAVY.		
		CHARGES.		
Sea Transport	61	Hire of transports	2,701,097 16 7	
	62	Pilotage, port, and other dues on transports	24,225 12 –	
	63	Purchase of vessels, boats, &c.	92,030 9 –	
	64	Coals for steam vessels	382,641 5 8	
	65	Pay and victuals of crews of vessels specially purchased for the Expedition	40,767 12 6	
	66	Naval stores for ditto	41,567 6 6	
	67	Repairs and fittings of vessels purchased, and of hired transports	237,674 18 6	
	68	Passage money of army officers (to England)	1,042 2 –	
	69	Freight of troops coastwise in India	15,911 4 –	
	70	Mess of army officers and civilians	22,113 6 –	
	71	Passage and mess of naval and transport officers	4,043 7 3	
	72	Freight of stores	49,606 1 –	
	73	Provisions and bedding for troops; also forage for animals	20,853 8 10	
	74	Pay and contingencies of transport officers and extra marine establishments	8,515 12 7	
				3,642,090 2 5
		CREDITS.		
Sea Transport	75	Coals for steam vessels (sale of)	46,262 18 5	
	76	Repayment by Bombay Government for hire of three steamers	6,870 3 –	
	77	Water supplied for use of crews of transports	1,273 14 –	
	78	Mess contributions from army officers on passage	5,249 16 –	
	79	Sale of vessels, barges, and boats	5,189 4 –	
	80	Sale of fittings and stores from transports	9,857 4 –	
	81	Other receipts	1,259 6 11	
				75,962 6 4
		Net Expenditure shown under "Navy" in Account	£.	3,566,127 16 1
		GENERAL (Charges).		
	82	Treasury (Expedition Account) for telegrams sent by Government of Bombay, and other charges not divisible under foregoing heads	9,076 3 9	
				9,076 3 9
	83	Less credit on above head	585 10 5	
				585 10 5
		Net Total	£.	8,490 13 4

STATEMENT of the Total Receipt and Expenditure in *India*, connected with the Abyssinian Expedition, &c.—*continued.*

ABSTRACT.	Gross Charges.	Receipts and Credits.	Net Expenditure.
	£. s. d.	£. s. d.	£. s. d.
ARMY - - - - - - - - - - - - - -	3,456,520 7 10	412,939 2 3	3,043,581 5 7
NAVY - - - - - - - - - - - - - -	3,642,090 2 5	75,962 6 4	3,566,127 16 1
TREASURY ACCOUNT - - - - - - - - - - -	9,076 3 9	585 10 5	8,490 13 4
*TOTALS of Accounts prepared to date - - - £.	7,107,686 14 –	489,486 19 –	6,618,199 15 –

MEMORANDUM of ACTUAL and ESTIMATED RECEIPTS and CHARGES to complete.

CHARGES.

	£.	£.			
Bombay:—Hire of transports and marine charges -	59,420				
Bengal:—Ditto - - ditto - - ditto - -	12,000				
		71,420			
COMMISSARIAT and LAND TRANSPORT, &c.	£.				
Punjab, Bengal, and Madras Presidencies - -	42,010				
Abyssinia (under audit and reference) - - -	94,130		353,310 –		
Aden and Muscat (- ditto -) - - -	39,500				
Incurred in Abyssinia, but paid in Bombay - -	32,200				
Bombay—Pay and Commissariat - - - -	74,050				
		281,890			

RECEIPTS.

MARINE.

	£.				
Bombay:—Claim against Indian Government for occasional employment of transports on ordinary reliefs - - - - - - - - - -	35,600				
Ditto:—Sale of steamers, tugs, barges, &c. estmated -	42,650				211,774 – –
Bombay and Galle:—Sale of surplus coal - -	15,700				
	93,950				

MILITARY.

Bombay:—Sale of animals and stores, to complete -	8,206				
„ Medical stores taken over by Bombay Government (actual) - - - - -	14,380				
„ Ordnance stores - ditto - - - -	5,000				
„ Public Works receipts - - - - -	20,000				
		141,536	- - -	141,536 – –	
Probable grand Total of the Receipts and Charges to be brought to Account at Bombay - - - £.			7,460,996 14 –	631,022 19 –	6,829,973 15 –

Note.—The Expenditure shown above* has been incurred by the following Presidencies and Departments, viz.,—

BOMBAY PRESIDENCY:			
Marine and Civil Departments - - - - - -	2,604,304 – –	66,245 – –	2,538,059 – –
Military Department (Pay, Commissariat† and Land Transport)	2,280,945 14 –	(a)400,709 19 –	1,880,235 15 –
Public Works Department - - - - - - -	133,709 – –	1,194 – –	132,515 – –
	£. 5,018,958 14 –	468,148 19 –	4,550,809 15 –
BENGAL PRESIDENCY:			
Marine and Civil Departments - - - - - -	574,148 – –	4,692 – –	569,456 – –
Military Department - - - - - - - - -	‡401,111 – –	11,922 – –	389,189 – –
Madras Presidency - - - - - - - - - -	22,332 – –	3,175 – –	19,157 – –
Punjab Presidency - - - - - - - - - -	90,653 – –	1,549 – –	89,104 – –
Abyssinia:—Commissariat Department, including Shore Transport -	815,930 – –	(a) Included in above.	815,930 – –
„ Land Transport Train charges, paid by Director - -	184,554 – –		184,554 – –
*TOTALS as above - - - £	7,107,686 14 –	489,486 19 –	6,618,199 15 –

† Includes payments in Egypt and in the Persian Gulf.

‡ Includes payment for hire of transports in Military Department of 213,500 *l.*

Bombay,
9 April 1869.

(signed) *C. Turner*,
Specially deputed by Her Majesty's Government to scrutinise the Charges of the Expedition.

General Remarks.

A.—Owing to the sudden return of the field force to Bombay in so very large a number of transports, difficulties were experienced (as the vessels poured in week after week), notwithstanding the special measures taken, in effecting so speedy a transhipment of the troops and followers, and of the returned provisions and stores as in normal times might have been attained. All had on arrival to be placed into barges and boats during the heavy weather then prevailing, owing to the early setting in of the south-west monsoon, and afterwards landed at the various bunders (there being no docks or wharves for facilitating this object). This led to unavoidable delay in discharging the transports; few were out of the pay of the Government before July was far advanced, and many continued till the middle of August 1868, and later.

B.—The rains having fallen with great violence by the time a large portion of the troops had reached Bombay, special accommodation had to be provided for them, and temporary cadjan sheds and huts constructed for the Native regiments and followers.

C.—The field batta and extra regimental charges of all regiments of the field force continued until the troops returned to their respective stations in India. The Punjab regiments of Native infantry and others had to be sent, *viâ* Kurrachee to Mooltan, &c. Extra charges were incurred on account of Madras regiments temporarily serving in the Bombay Presidency for months after the campaign had terminated, as they did not rejoin their stations until the rains had subsided.

The late period of the discharge of the Calcutta transports arose from many having brought troops and stores in the first instance to Bombay or Kurrachee from Annesley Bay. These vessels continued in the pay of Government under their charter-parties until they subsequently reached Calcutta.

D.—Much expenditure necessarily took place on account of the numerous followers of the transport train on return to India. Passages or conveyance had to be provided for all to the localities they were enlisted at. The various levies of Punjab muleteers had to proceed, *viâ* Kurrachee, up the Indus to Mooltan, Lahore, Allahabad, &c., and charges on their account continued till the end of August 1868.

E.—All animals brought back to India had to be fed, and attendants for them provided, until sold by auction or taken over by the Indian Commissariat. The 18 elephants lent from the Bengal Presidency had to be provided for until the monsoon allowed of their return.

F.—Numerous extra store and account establishments have had to be retained up to the present date. All the returned stores have not yet been completely disposed of.

LIST of Stations and Ports at which Expenditure took place in connection with the Abyssinian Expedition, the Totals of which have been included in the Accounts prepared at *Bombay*.

Bombay Presidency:
- Bombay.
- Poona.
- Ahmednuggur.
- Alligaum.
- Belgaum.
- Malligaum.
- Baroda.
- Ahmedabad.
- Deesa.
- Hydrabad.
- Mhow.
- Nusseerabad.
- Neemuch.
- Political Agent, Rajcote.
- Kurrachee.
- Hydrabad (Sind).
- Political Agent, Cutch.
- Aden.

Bengal and Punjab Presidencies:
- Calcutta.
- Barrackpore.
- Dinapore.
- Patna.
- Buxar.
- Benares.
- Allahabad.

Bengal and Punjab Presidencies—*cont^d.*
- Delhi.
- Cawnpore.
- Umballah.
- Lahore.
- Umritsur.
- Mooltan.
- Ferozepoor.

Madras Presidency:
- Madras.
- Bangalore.
- Trichinopoly.
- Vellore.
- Arcot.
- Cochin.
- Cananore.
- Mangalore.
- Vizapatam.
- Quilon.
- Travancore.
- Kamptee.

Egypt:
- Suez.
- Cairo.
- Alexandria.

Berbera.

Baghdad.

Bushire.

Muscat.

Ceylon:
- Galle.
- Colombo.

Abyssinia:
- Zoola.
- Massowah.
- Hodeida.
- Koomaylee.
- Undul Wells.
- Senafi.
- Goon-Goona.
- Focada.
- Addigerat.
- Agoola.
- Antalo.
- Attala.
- Takazze.

Appendix, No. 8.

PAPERS handed in by Mr. *Turner*, 16 July 1869.

Abyssinian Expedition.

LIST of Charges withdrawn on objections being raised thereto in *India* by Mr. *Turner*, also of certain Receipts credited to the Imperial Government on their being pointed out.

When Withdrawn.	Description of Charge, &c.	Nature of Objection.	Amount Withdrawn.	Remarks.
	MILITARY.		*Rs. a. p.*	
1868:	BOMBAY.			
January -	1. Consolidated pay (three months in advance) of Lieutenant Carter, R.E., and two other officers of the Trigonometrical Survey Party in Abyssinia.	To the regimental pay forming a portion of their emoluments, on the ground that the officers' vacancies were not filled up in India.	7,309 – –	This is merely the amount of charges withdrawn, as shown on the first pay bill.
January -	2. Pay of Rev. E. G. Goodhart, chaplain, Madras Establishment, two months in advance.	Objected to on the ground that this officer being borne on the strength of the Army Ecclesiastical Establishment, his pay is an ordinary charge to Indian revenues.	1,000 – –	These are only the amounts of the two first pay lists for two chaplains; all subsequent charges of this nature were afterwards debited to Indian revenues.
June -	3. Pay of Rev. H. Corbyn, chaplain.	- ditto - - - - -	1,000 – –	
1867: December 1868: February	4. Full consolidated pay of Indian medical officers of the Indian Army serving with the expedition.	The unemployed pay, forming a part of the consolidated pay of the officers, should be borne by Indian revenues, viewing it in the same light as the ordinary pay of regimental officers.	Various; cannot be given.	This represents a very large sum withdrawn, considering the number of the medical officers who left India with the Field Force, and the time of their absence.
May -	5. Pay in advance to Mr. Hervey, Assistant Superintendent Field Telegraph Department.	Objection taken to the ordinary pay, included in the consolidated allowance to Mr. Hervey.	825 – –	Withdrawn, as also all pay for subsequent periods.
April -	6. Pay of recruits added to the several regiments of Native infantry in Bombay Presidency on withdrawal of troops for Abyssinia.	To an estimated number of 100 men per regiment, being charged as was originally done. The actual number enlisted should only be debited up to time of return of Field Force.	97,212 originally charged. 33,500 Estimated correct charge. 63,712 Estimated amount withdrawn.	A similar objection as my own appears to have been raised about the sam time in England.
July -	7. Pay to Major Roome, as Political Officer, Abyssinian Field Force, to 31st May 1868.	Objected to so far as regards his pay as Provost Marshal included therein, which had been previously charged.	793 10 –	Withdrawn.
April - July -	8. Consolidated pay of Mr. Brown, Assistant Superintendent Field Telegraph and Signalers of his department, 3rd December 1867 to 29th February 1868.	The ordinary pay included therein objected to, the Staff forming part of the Indian Telegraph Department.	2,925 14 –	Withdrawn, and only extra field allowances charged.

List of Charges withdrawn on objections being raised thereto in *India*, &c.—*continued.*

When Withdrawn.	Description of Charge.	Nature of Objection.	Amount Withdrawn.	Remarks.
	MILITARY—*continued.*			
1867:	BOMBAY—*continued.*		*Rs. a. p.*	
July -	9. Regimental pay of Captain Chrystie, R.E., from 1st November 1867 to 31st January 1868.	Objected to, as this officer was lent from the Madras Presidency.	1,300 14 –	Withdrawn and debited to Madras.
,,	10. Difference between regimental and staff corps' pay which Captain T. S. Iredell drew as Assistant Quartermaster General, Bombay, while serving on expedition, for April and July.	Objected to as an expedition charge.	82 10 –	Withdrawn.
December	11. Fines from men of the Army Works Corps.	Should be credited in diminution of the charge for pay of the men.	2,492 5 –	Credited.
,,	12. Pay of Acting Appointment to Volunteers of 4th King's Own Regiment on rejoining from field service.	Not an Abyssinian debit.	524 – –	Withdrawn.
July -	13. Pay of Extra Establishment of Assistant Quartermaster General, Bombay, from 1st October 1868 to 31st January 1869.	That, as the expedition had ceased, if the men were retained, the cost should be debited to India.	640 – –	Withdrawn.
1868:				
July -	14. Ordinary Pay of Conductor Wild, of Commissariat Department.	Not chargeable.	160 – –	Withdrawn.
July to Sept.	15. Pay of J. Lumsdaine, Surgeon, Field Force, up to 31st May.	Unemployed, instead of employed, pay debited.	281 13 –	Charged to Indian revenues.
,,	16. Pay of Surgeon Maitland, Nov. 1867 to February 1868.	- - ditto - - -	570 11 –	- - ditto.
,,	17. Pay of Assistant Surgeon Richmond, of Bengal Establishment.	Wrong division of ordinary, and extra pay.	75 8 7	Charged to Bengal Presidency.
,,	18. Pay and Allowance of Lieutenant F. S. Mortimer, R.H.A., from 1st September to 31st Oct. 1867.	Not chargeable to expedition.	610 8 –	Withdrawn.
,,	19. Pay of Tent Lascars, of Madras Sappers and Miners with Field Force, for December 1867.	Not chargeable - - -	19 – –	- ditto.
,,	20. Staff Corps Pay of Major Knight, Field Paymaster, for June 1868.	Not chargeable - - -	640 14 6	- ditto.
January -	21. Pay of coolies on board "Martaban."	- - ditto - - -	15 – –	- ditto.
July to Sept.	22. Pay and allowance of Hon. M. Mostyn, Paymaster of 21st Fusiliers (in Madras) but serving as a veterinary surgeon with Field Force, 5 October 1867 to 19 June 1868.	Objection taken to such portion of his consolidated pay as may be equal to his Indian pay and allowances as Paymaster.	2,497 1 –	Only difference now charged between regimental and the special pay sanctioned.
October -	23. Value of one ton 15 cwt. of coal supplied to tug for landing commissariat stores, but not consumed.	Value should be credited to Imperial Government -	61 4 –	Credited to Imperial Government.
1867:				
November	24. Pay of Nalbund attached to mules at Belgaum.	As not being chargeable -	15 9 –	Withdrawn.

List of Charges withdrawn on objections being raised thereto in *India*, &c.—*continued.*

When Withdrawn.	Description of Charge.	Nature of Objection	Amount Withdrawn.	Remarks.
	MILITARY—*continued.*			
	BOMBAY—*continued.*		*Rs. a. p.*	
December	25. Provisions for crew of pilot-boat No. 3.	Objected to under general financial arrangements.	8 8 –	Withdrawn.
23 „ -	26. Pay of attendants on mules at Hydrabad (Sind) on march to Jacobabad.	As not being properly chargeable.	14 5 –	- ditto.
2 Jan. -	27. Ditto - - - - -		21 8 –	- ditto
	POONA.			
7 Dec. -	28. Shoeing mules allotted to Belgaum commissariat.		25 – –	- ditto.
„	29. Salt rations for ditto - -		4 12 –	- ditto.
1868:				
23 Sept. -	30. Fodder for a mule returned from Abyssinia left at Khandalla.		32 8 –	
2 Dec. -	31. Ditto for mules allotted to Ahmedabad commissariat.	- - ditto - -	1,940 10 –	Withdrawn.
22 „ -	32. Ditto for a mule of 10th Bombay Cavalry.		139 8 –	
„	33. Ditto for a mule of 10th Bombay Cavalry.	Objected to as not being fairly chargeable.	57 1 –	- ditto.
„	34. Ditto - - - - -	- - ditto - -	142 6 –	- ditto.
„	35. Ditto - - - - -	- - ditto - -	28 5 –	- ditto.
February -	36. Regimental pay of Captain Swanson, Field Commissary of Ordnance, and Serjeant Gawthorpe, for September 1868.	Chargeable to Indian revenues.	484 1 –	Withdrawn.
„	37. Ordinary pay of conductor of above establishment for July 1868.		175 6 –	
„	38. Difference between excess of regimental over staff consolidated pay of Captain Iredell, deputy Assistant Quartermaster General, for August.		41 5 –	
„	39. Staff corps pay of Captain H. Moore, Intelligence Department, employed on Special duty in Syria from 1 June to 3 Oct. 1868.		1,532 7 –	
„	40. Regimental pay of Captain Bartholomew, of Transport Train, 1 to 20 August 1868.		241 6 –	
1868:	MADRAS.			
March -	41. Pay of Madras troops, included in lists of expedition charges for September 1867 and October 1867.	Objected to on 9th March 1868, as ordinary charges to Indian revenues and lists returned; lists revised and received back on 22nd April, reduced by - -	9,574 1 –	–
1867:				
Nov. - -	42. Field medicines supplied to G, H, and K companies, Madras Sappers and Miners.	Unauthorised per-centages added to amount of the vouchers.	45 5 3	- ditto.
1868:				
Jan. - -	43. Ditto K Company - - -	- - ditto - -	102 1 1	- ditto.
Included in July list of charges from Madras.	44. Regimental pay of Lieutenant J. Pennywick, Field Engineer, for June 1868.	Objected to as chargeable to Indian revenues.	265 12 –	- ditto.

List of Charges withdrawn on objections being raised thereto in *India*, &c.—*continued.*

When Withdrawn.	Description of Charge.	Nature of Objection.	Amount Withdrawn.	Remarks.
1868.	MILITARY—*continued.*		*Rs. a. p.*	
	MADRAS—*continued.*			
Included in July List of Charges from Madras.	45. Difference between unemployed and employed pay of Surgeons W. Pearl, Madras Sappers and Miners for June.	Objected to as chargeable to Indian revenues.	640 14 6	Withdrawn.
Ditto August List.	46. Ditto 1st to 4th July - -	- - Ditto - -	82 11 2	- ditto.
Ditto March List.	47. Gram for charger of Subadar Syed Abdool Cawder of 1st Regiment of Light Cavalry.	- - Ditto - -	90 5 –	- ditto.
July List -	48. Receipt omitted to be credited to the expedition, viz., for table-money and ration stoppages from officers.	Omission pointed out - -	363 13 6	Credited in consequence to the Imperial Government.
Aug. List -	49. Ditto - - - - - -	- - Ditto - -	4 13 4	- - ditto.
	CALCUTTA.			
	50. Ordnance charges in October and November 1867, Lists Nos. 10 and 11.	Objection taken to all articles issued to regiments that did not form a part of the reserved field equipments being debited to the expedition, and lists returned for revision.	17,357 5 –	List received back by letter of 31st October 1868, thus reduced.
	51. Ordnance charges in December 1867, Lists Nos. 16 and 17.	Objection taken to all articles issued to regiments that did not form a part of the reserved field equipments debited to the expedition, and returned for revision.	19,406 3 –	List received back by letter of 4th March, thus reduced.
	52. Ditto January 1868, Lists Nos. 22 and 23.	- - Ditto - -	1,096 13 –	- Ditto by letter of 17th November 1868.
	53. Ditto List No 20, for commissariat supplies in January 1869.	Items on list objected to -	8,775 – –	Withdrawn.
	54. Medicines and medical stores, December 1867.	Objected to for sundry per-centages added to the vouchers, and to certain of the items not being reserved stores: *Rs. a. p.* Original list, 12,457 14 – Amended - 12,334 15 –	122 15 –	- ditto.
	55. Pay of Recruits added to several Regiments of Native Infantry in Bengal Presidency on withdrawal of troops for Abyssinia.	To an estimated number being charged instead of those actually enlisted.	Not at present known.	The final amount charged will probably be several thousand pounds under that originally debited.
	56. Advances to officers and others, originally preferred as debits to the expedition, List No. 4, for November 1867 - - -	Objected to wholly in this shape, if money expended for expedition charges should be supported by detailed bills - -	12,500 – –	Withdrawn, but not known what portion was re-charged in subsequent lists.
	57. Ditto for December 1867, No. 13 - - - - - - -		1,33,385 6 –	
	58. Ditto for January 1868, No. 18		52,648 1 –	

List of Charges withdrawn on objections being raised thereto in *India*, &c.—*continued.*

When Withdrawn.	Description of Charge.	Nature of Objection.	Amount Withdrawn.	Remarks.
	MILITARY—*continued.*			
	PUNJAB.		*Rs. a. p.*	
1868:	LAHORE.			
March -	59. Pay and allowances of Lieutenant Babington, of Transport Train.	Regimental pay of rank included therein.	93 6 7	Withdrawn.
13 January	60. Ditto - of Lieutenant Chalmers	- ditto to 31 December 1867	41 6 2	
8 „	61. Ditto - - - - - -	- ditto for January 1868 -	256 10 –	
30 April -	62. Ditto - of Captain Birch - -	- ditto for April „ -	374 1 6	
27 June -	63. Ditto - - - - - -	- ditto for May „ -	374 1 6	
27 „ -	64. Ditto - of Lieutenant Assistant to Captain Birch.	- ditto - ditto -	225 12 –	
April -	65. Ditto - - - - - -	- ditto for March „ -	225 12 –	
	66. Advances to Captain Roddy for pay of Muleteers, at Mooltan, on— *Rs.* 20 August - 2,500; 31 „ - 20,000; 7 October - 2,000; 7 „ - 3,000	- - - - -	27,500 – –	The greater part of these sums will probably eventually form debits to the Expedition.
	67. Ditto - to Captain Kelly *Rs.* 12 October - 30,000; 28 „ - 12,000	Objected to as not being proper debits to Her Majesty's Government. - - - - -	42,000 – –	
	68. Ditto - Captain Cabell *Rs.* 13 October - 850; 22 „ - 5,848; 23 November - 1,320	- - - - -	8,018 – –	
	MARINE AND CIVIL.			
	BOMBAY.			
January -	1. Victualling crews of vessels, purchased for the expedition.	The 5 per cent. added to the total of the bills on account thereof, made up in the Accountant General's Department (Bombay).	Not known -	Withdrawn; the amount could only be given from the first bill, as in all subsequent ones the 5 per cent. was omitted to be charged.
February -	2. Supplies of provisions to the "Coromandel," "Scinde," and other vessels of the Indian Marine not specially commissioned for, but employed on the Expedition.	Objected to as not being chargeable under the financial arrangements of the Imperial and Indian Governments.	Various - (cannot be given).	Withdrawn; any expenditure on this account for troops taking passage therein, to be charged for at inclusive rates per head to cover all expenses.
May -	3. Coal expended on board vessels of the Indian Marine, the "Coromandel," "May Frere," and "Dalhousie."	The 5 per cent. added thereto to cover departmental expenses.	- ditto - (but a very considerable amount in all).	Withdrawn, and omitted to be charged in all bills of this nature subsequently.
Charges subsequent to the Expedition Account for month of April 1868, had been sent to England.	4. Supplies of coals to vessels of the Expedition by the Marine Storekeeper, Bombay, out of stock of coal stated to have been specially purchased by Bombay Government for the Expedition.	Bills were originally prepared in the Accountant General's Department for this coal; I pointed out, however, to Government, that the coal should be set off against the Expedition coal landed from colliers of the Peninsular & Oriental Company at Bombay, which would be paid for to the Company in England.	29,769 1 11 being 5 per cent. in one set of bills only.	All the bills prepared subsequent to despatch of April Expedition account were withdrawn. Credit is, however, only taken for the five per cent. charged thereon, and withdrawn.
June -	5. Fees, &c. for allowing transports to enter the Government dock, Bombay.	Objection was taken to all these charges, but only the item raised for the superintendence of the master builder was withdrawn.	320 – –	Withdrawn, and all such subsequent items.
September	6. Ditto and difference between 5 and 20 per cent. on stores supplied to the transport "Hydree."	Objected to, October 1867 to April 1868.	4,020 – –	Withdrawn.

List of Charges withdrawn on objections being raised thereto in *India*, &c.—*continued.*

When Withdrawn.	Description of Charge.	Nature of Objection.	Amount Withdrawn.	Remarks.
	MARINE AND CIVIL—*cont*^{d}.		*Rs. a. p.*	
	BOMBAY—*continued.*			
June -	7. Pay of pilot of steamer "Coromandel," I. N., for October 1867.	Double charge - - -	95 – –	Withdrawn.
July -	8. Pay of fitters and engineers of the G. I. P. Railway Company, stated to have been employed in dock yard on works of the Expedition, between November 1867 and July 1868.	The payments were objected to without the details of the works were stated. This led to detailed statements being drawn up; and of the original charge of *Rs.*9,960 13*a*, no less than *Rs.*4,968 1*a*. proved to be ordinary expenditure.	4,968 1 –	Ditto.
September	9. Hire of Coolies on board the "Lord Elphinstone" and "Earl Canning," in September 1868.	Objected to as a part of ordinary expenses of providing crews.	100 10 –	Ditto.
" -	10. Pay to extra coal establishment at Musca - - for January Ditto - - for February Ditto - - for March	Objected to on the ground that the five per cent. charged on the supplies of coal should cover such items.	21 – – 30 – – 26 8 3	Withdrawn, and all subsequent charges.
" -	11. Seventy tons of water supplied at Suez to the "Coromandel." B. M.	Objected to on the ground that the water was for the crew mainly, and therefore an Indian charge.	210 – –	Withdrawn.
" -	12. Lighterage charge by Peninsular & Oriental Company at Suez, on supplies of coal to vessels of Expedition.	Overcharge admitted by the company, but omitted to be recovered at Bombay until pointed out by me.	1,254 – –	Amount recovered, and credited in Expedition Account for January 1869.
1869:				
January -	13. Pay of crew of tug "Camel" -	Objected to under general financial arrangements.		
		1 to 30 June July	700 7 – 851 5 –	Withdrawn, and debited to "Marine Charges."
" -	14. Government coal expended for cooking purposes by crews of transports.	On the special form of coal account, drawn up by myself, columns were provided for ascertaining the quantity of coal thus consumed, the value of which has been recovered from the several owners.	Cannot be completely given.	This represents a considerable credit in the accounts.
March -	15. Hire of a pump in dockyard, from 6th February 1867 to 10th July 1868, connected with docking vessels.	Objected to, as a rate for each transport docked had been charged against Expedition.	1,023 2 –	Withdrawn.
	CALCUTTA.			
June -	16. Pay of crew of the "Czarewitch," vessel of Bengal marine, employed on the Expedition. November 1867.	As not chargeable to Her Majesty's Government.	2,200 8 –	Withdrawn, and all such subsequent charges.
" -	17. Contingent allowance of 200 rupees on pay list of crew of "Undaunted." November 1867 to January 1868.	A statement of the expenditure of this called for led to the major part of the amount being withdrawn, viz. -	185 11 8	
" -	18. Payment to Gillanders, Arbuthnot, & Co., Calcutta, for coals supplied.	No particulars of the charge, and name of transport issued to, not given.	1,211 4 –	Charge withdrawn, owing to objection raised.

List of Charges withdrawn on objections being raised thereto in *India*, &c.—*continued.*

When Withdrawn.	Description of Charge.	Nature of Objection.	Amount Withdrawn.	Remarks.
	MARINE AND CIVIL—*cont^d.*		*Rs. a. p.*	
	CALCUTTA—*continued.*			
Bengal list of charges for February	19. Messing engineer of the "Agitator," Calcutta.	Objection raised as to whether these charges did not appertain to the Overland Troop Service.	9 – –	Withdrawn.
	20. Messing harbour master, Calcutta.		3 – –	
	21. Messing pilot - - - -		56 – –	
	22. Telegrams - - - - -	- - - - - -	10 – –	
	23. Coals supplied by naval storekeeper, Calcutta, to transport "Continental."	Charge already debited to the Expedition.	3,236 12 5	Ditto
1868: November	24. 30 per cent. for departmental expenses on cost of fittings at Kidderpore Dockyard to transport "Hunsdon."	Objected to - - -	75 – –	15 per cent. withdrawn.
„	25. Ditto to "Surrey" transport -	- - ditto - - - -	619 – –	
	MADRAS.			
List of charges for March 1868, from Madras.	26. Freight of clothing - -	- - - - - -	5 11 -	Items withdrawn.
	27. Ditto, of saddlery, per "Mula."	Objected to as ordinary charges to Indian Revenues.	70 2 8	
	28. Ditto, of blankets - - -		22 15 1	
	29. Ditto, of percussion caps -	- - - - - -	8 7 5	
	PUBLIC WORKS DEPARTMENT.			
	BOMBAY.			
July to November 1868.	30. Repairs to lines occupied by the 12th Madras Native Infantry at Poona.	Objected to in special letter, and reported to Secretary to the Treasury.	11,153 – –	Withdrawn.
September	31. Payment by executive engineer for reclamations, Bombay, on account of pay of men of railway establishment.	Overcharged, and so admitted by Controller of Public Works Accounts in letter of 29 Jan. 1869.	550 3 5	- ditto.
February -	32. Family remittances of men of Army Works Corps engaged at Kurrachee.	As not being chargeable -	202 8 –	Ditto.
November	33. Pay of crew of tug "Camel," employed by Public Works Department.	Objected to under general financial arrangements.	2,644 10 –	Ditto, and debited to Indian Marine charges.

Bombay, 8 April 1869.

(signed) *Charles Turner.*

MEMORANDUM comparing under general headings the ESTIMATE of £. 5,350,531, prepared at *Bombay*, on the 14th July 1868, of the probable Cost of the ABYSSINIAN EXPEDITION, with the Actual and Estimated CHARGES to complete, as subsequently brought to Account, Ascertained, or Estimated for.

Reference to Number of Item shown in Statement of Total Receipt and Expenditure.	HEADINGS.		Less Credits for Recoveries and Sales of Stores.	Total Amount included in Accounts prepared at Bombay or Estimated to complete, after allowing for Credits.	Net Amount actually charged in Accounts prepared at Bombay to April 1868.	* Comparison of Estimate of 5,350,531 *l.* of 14 July 1868.			
						Difference or amount included, or to be included, in Bombay Accounts, subsequent to April 1868.	Proportion of Amount included in above Estimate.	More than Estimate.	Less than Estimate.
		£.	£.	£.	£.	£.	£.	£.	£.
1 to 8	Staff Pay, Field Batta, and Extra Regimental Charges	149,515	10,328						
21 and 22	Ecclesiastical and Judicial	2,535							
10 to 12	Pay, Commissariat and Land Transport, Staff and Establishments	242,811	696						
13	Purchase of Elephants, Camels, Bullocks, Mules, Ponies, and Donkeys	471,469	55,804						
14	Supplies of Provisions, and Rations, Commissariat Stores, and Implements	635,003	216,808						
15	Forage and Gear for Animals	661,667							
—	Estimated under above headings to complete	128,891	8,206						
		2,291,891	291,842						
		291,842							
		£. 2,000,049	- -	2,000,049	836,453	1,163,596	300,000 230,000 60,000 80,000 63,000 120,000 853,000	310,596	(*a*) —
17	Land Carriage of provisions, forage, and stores, in India, and by Natives in Abyssinia, also pressing hay into bales		316,873						
18	Loading, Shipping, and Landing Commissariat Stores into and from Transports, &c.		105,822						
	Estimated to complete		50,000						
19	Railway Conveyance of Troops and Followers in India and Egypt		84,303						
	Estimated to complete		20,000	576,998	174,893	402,105	60,000 70,000 130,000	272,105	(*b*) —
20	Warm Clothing for Field Force		203,989						
	Less credit		21,118	182,871	148,030	34,841	- nil -	34,841	(*c*) —
	Carried forward		- -	2,759,918	1,159,376	1,600,542	983,000	617,542	—

(*a*) Extra field pay to the troops continued up to the date of their reaching their respective stations in India, a much longer period than was calculated upon. The supplies obtained towards the end of February 1868 in Bombay for shipment to Abyssinia, to make necessary provision for the force contingent upon the rains setting in, were at a greatly increased rate than was allowed for; moreover, large sums were afterwards brought to account in India as having been paid in Abyssinia, and in the Bengal Presidency, for commissariat and land transport services.

(*b*) The payments in Abyssinia for carriage of stores to the front by Native agency are believed to have exceeded 150,000 *l.* This was underestimated for, as also for landing the returned commissariat stores at Bombay, and for the railway conveyance of troops to their various stations.

(*c*) The very large supplies of warm clothing required for the Native troops and followers was under-provided for.

* See note on page 195.

Reference to Number of Item shown in Statement of Total Receipt and Expenditure.	HEADINGS.	Less Credits for Recoveries and Sales of Stores.	Total Amount included in Accounts prepared at Bombay or Estimated to complete, after allowing for Credits.	Net Amount actually charged in Accounts prepared at Bombay to April 1868.	* Comparison of Estimate of 5,350,531 *l.* of 14 July 1868. Difference or amount included, or to be included, in Bombay Accounts, subsequent to April 1868.	Proportion of Amount included in above Estimate.	More than Estimate.	Less than Estimate.
		£.	£.	£.	£.	£.	£.	£.
	Brought forward - - -	- -	2,759,918	1,159,376	1,600,542	983,000	617,542	—
25 to 27	Ordnance Services - - - - -	226,970						
	Less credit - - - -	110,014						
			116,956	31,634	85,322	30,000 40,000 20,000 90,000	- -	4,678
23 to 24	Medical Services - - - - - -	79,102						
	Less credit - - - -	16,181						
			62,921	27,494	35,427	30,000 10,000 40,000	- -	4,573
34 to 42	Railway Plant, Pile Piers, Zoola, Commissariat sheds, &c. - - - - - -	143,920						
	Less credit estimated - -	21,194						
			122,726	- nil -	122,726	72,000	50,726	(*d*) —
9	Donation War Batta - - - - - - - -		93,890	- nil -	93,890	130,000	- -	(*e*) 36,110
61 to 63, and 65.	Hire of transports, pilotage, and port dues, purchase of vessels and boats, and pay and victuals of crews of vessels purchased, &c. - - - - - - - -		2,795,931	1,026,525	1,769,406	1,265,000	504,406	(*f*) —
64, 66, and 67.	Fittings for Transports, coals and Naval stores for transports and vessels - - - - - - - -		590,062	168,530	421,532	10,000 120,000 55,000 185,000	236,532	(*g*) —
68 to 74	Freight of Troops coastwise, messing Army Officers in transports, freight of stores in Native craft, and pay of transport establishments - - - - - - -		157,604	44,872	112,732	20,000 20,000 40,000	72,732	(*h*) —
28 to 33, 82 to 83.	Political and Miscellaneous Services - - - -		129,966	7,100	122,866	80,000	42,866	(*i*) —
	TOTALS - - - £.		6,829,974	2,465,531 †	4,364,443	2,885,000 ‡	1,524,804	45,361
					2,885,000 ‡		45,361	
	* Excess over Estimate - - - £.				1,479,443	- -	1,479,443	
					2,465,531 † 2,885,000 ‡			
	TOTAL of ESTIMATE of - - £.				5,350,531			

(*d*) There was no reliable data available at the time to guide one in framing the estimate of 72,000 *l.*

(*e*) This surplus arises from certain payments of donation batta having been made direct in England.

(*f*) The amount under-estimated for hire, owing to detention of the transports, is believed to have been in about the following proportions, viz.:

	£.
Transports chartered at Bombay - -	344,406
Ditto - - - - Calcutta - -	160,000
	£. 504,406

(*g*) This excess is to a great extent on the item of tanks, over 10,000 of which, it is believed, were issued to the transports by the Bombay Government, for watering the troops and animals on passage; the charges for these were brought to account at a long interval afterwards. Larger payments were also made for fittings, and restoring the ordinary fittings of steam ships chartered as transports, than could have been allowed for.

(*h*) The very large demand for fodder for cattle in Abyssinia led to a number of Native craft being freighted with hay to Annesley Bay, which was not estimated for.

(*i*) The advances by the Resident at Aden, for political purposes, were under-provided for.

* It is to be observed that it was distinctly stated at the time this estimate of 5,350,531 *l.* of the 14th July 1868 was framed at Bombay, that, as regards presidencies other than Bombay (including Abyssinia), it contained only the amount at that time reported therefrom, except under the head of "Hire of Transports," Calcutta. Very large sums in excess of the provision taken under the first three items of this memorandum afterwards were brought to account. A foot-note also testified that the amount of 1,265,000 *l.* estimated for Hire of Transports would not be sufficient, owing to the unavoidable delay in landing the returned stores, and the necessary detention of the vessels, in consequence, in the pay of Government.

Treasury,
15 July 1869.

Charles Turner,
Late on special duty at Bombay on Abyssinian Accounts.

Appendix, No. 9.

App. No. 9.

PAPERS handed in by Admiral *Mends*, 16 July 1869.

PAYMENTS at *Bombay* on Account of the Discharge of Transports Abroad instead of at Home.

STATEMENT showing the Estimated Amounts to be Paid to the Owners of the undermentioned TRANSPORTS discharged at *Bombay*, in Excess of the Amounts which would have been Payable for their Hire if they had been discharged in *England*; also, showing the Estimated Sums which it would have cost to send them to *England* for Discharge, and the Sums which would have been Payable on account of their Discharge Abroad, if the amended Terms proposed by the Owners had been accepted.

SHIPS' NAMES.	Tonnage.	Rates for Hire if Discharged.		Paid in Excess of Amount which would have been Payable if Discharged in England.		Cost of Hire and Coal for the Voyage to England.*	Sums which would have been Payable for Discharge Abroad under Amended Offers.
		At Home.	Abroad.				
		s. *d.*	*s.* *d.*	£.		£.	£.
"City of Dublin" -	1,998	35 –	45 –	10,153	Under Original Charter-party.	15,323	10,489
"City of Manchester"	1,906	35 –	45 –	10,967		19,694	10,006
"West Indian" - -	1,804	26 –	36 –	9,197		11,053	9,940
"American" - -	1,831	24 10	35 –	9,002		10,862	9,796
"Californian" - -	1,831	24 10	35 –	9,429		10,862	9,796
"Peruvian" - -	2,245	32 3	50 –	20,512		16,853	No offer.
"Queen" - - -	3,517	37 6	3 months' pay.	19,783		25,955	No offer.
"Kangaroo" - -	1,719	32 6	45 –	8,380	Under amended offer.	15,849	8,380

* Calculation based on a voyage of 80 days' duration.

ESTIMATE of LIABILITIES incurred by the TRANSPORT DEPARTMENT of the ADMIRALTY on Account of the ABYSSINIAN EXPEDITION, prepared in September 1867.

		Amount.
	£.	£.
Hire of 10 steam transports for general service in India, for 6 months -	215,826	
„ of 3 steam transports for hospital service, for 6 months - - -	62,928	
„ of 5 steam transports to be employed in Mediterranean as mule ships, for 3 months - - - - - - - - - - -	21,213	
	£. 299,967	300,000
Coals, for 10,000 tons in the River Thames - - - - - - - -		10,500
Freight of forage and army stores to Alexandria - - - - - - -		2,200
Mess of Officers in the transports - - - - - - - - - -		5,200
Fittings—Hospital ships - - - - - - - - -	£. 4,700	
„ Steamers for general service - - - - - - - -	2,800	
„ Mule ships - - - - - - - - - -	5,500	
		13,000
Bedding, so far as required to be specially purchased - - - - - -		1,500
Pay of transport officers - - - - - - - - - - -		3,600
Provisions—For hospital ships - - - - - - - - -	3,000	
„ Carriage to Liverpool of the provisions included in estimate of Victualling Department - - - - - - -	1,000	
		4,000
	£.	340,000

The provisions shipped for India and for muleteers were estimated for by the Comptroller of Victualling.

ENCLOSURE to Letter addressed to Captain *Tryon*, dated 1 May 1868.

ABYSSINIAN EXPEDITION.

STATEMENT of the COST of Discharging the following STEAM TRANSPORTS at *Bombay*, and sending them to *England* for Discharge.

SHIPS.		If Discharged Abroad.		If Brought Home.			Difference if Brought Home.	
		Amount payable under Charter.		Hire $2\frac{2}{3}$ Months, or 80 Days.	Coals.	TOTAL.		
NAMES.	Tons.	Hire.	Equal to Months.				More.	Less.
		£.		£.	£.	£.	£.	£.
"City of Manchester" - -	1,906	8,577	$2\frac{17}{30}$	8,894	10,800	19,694	11,117	—
"City of Dublin" - - -	1,998	8,991	$2\frac{17}{30}$	9,323	6,000	15,323	6,332	—
"Kangaroo" - - - -	1,719	8,380	3	7,449	8,400	15,849	7,469	—
"West Indian" - - -	1,804	8,118	$3\frac{13}{30}$	6,253	4,800	11,053	2,935	—
"American" - - - -	1,831	8,376	$3\frac{20}{30}$	6,062	4,800	10,862	2,486	—
"Californian" - - -	1,831	8,376	$3\frac{20}{30}$	6,062	4,800	10,862	2,486	—
"Queen" - - - - -	3,517	19,749	3	17,555	8,400	25,955	6,206	—
"England," *vid* Mauritius home	3,307	17,361	3	15,432	8,400	23,832	6,471	—
"Peruvian" - - - -	2,241	17,931	5	9,653	7,200	16,853	- -	1,078
"Golden Fleece," direct to England.	2,768	4,152	1	11,072	7,200	18,272	14,120	—
"Mauritius," *vid* Mauritius -	2,134	3,201	1	8,536	7,200	15,736	12,535	—
"Queen of the South," *viâ* Mauritius.	2,090	3,135	1	8,360	7,200	15,560	12,425	—

Appendix, No. 10.

PAPERS handed in by Admiral *Mends*.

(In answer to Question 1524.)

App. No. 10.

Abyssinian Expedition.

Arrangements for ensuring Correctness in the Departmental Adjustments of Claims.

(Immediate).

The Deputy Director of Transports to the Secretary of the Admiralty.

Admiralty, Somerset House, W.C.,
26 October 1867.

It having been decided by the Treasury that the expenses of the expedition to Abyssinia, ultimately chargeable to the Imperial Government shall, in the first instance, be borne by Army and Navy grants, I beg to state that it is very desirable that a *separate account* should be kept of any expenses incurred in connection with the sea transport of troops and stores, in order that any claim for repayment may be brought under examination by the Admiralty as promptly as possible, and that their investigation may not be impeded by the mingling therewith of expenses chargeable to other departments of the Imperial Government; such a mingling of accounts having, in the case of the China wars, produced much difficulty and occasioned great delay in their settlement.

To facilitate carrying out these objects, it is submitted that the accompanying requirements of the Naval Department (in which the Accountant General of the Navy concurs) may be communicated to the India Office, with the request that instructions may be issued to the authorities in India to cause them to be complied with.

It is further submitted, that a copy may be forwarded to the Treasury, for the information and guidance of Mr. Turner, the gentleman selected to proceed to India, in connection with the adjustment of these claims.

I request that I may be informed of their Lordships' decision hereon.

(signed) *C. J. Cruttenden,*
Deputy Director of Transports.

The Secretary of the Admiralty.

Memorandum.

It is desirable that the claims of the Indian Government for the repayment of their expenditure for transport service of the expedition should be made periodically.

The expenditure for transport service is classified in the Admiralty accounts under the following heads; and it will be convenient that, as far as practicable, a similar classification should be observed in the claims to be preferred, viz.:

Hire of Transports.—Payments for the hire of ships on monthly pay, for the purchase of vessels, and for pilotage and dues, when payable by the Government under the charters.

Coals for Steamers.—Payments for coal purchased for hired vessels, or the value of supplies out of store to such vessels, and the value of coals consumed by steamers belonging to the Indian Marine.

Freight of Troops.—Payments of freight of troops, horses or draught animals, at rates per head, or for the voyage, as well as any expenses for boat hire, &c., for landing and embarking them.

Freight of Stores.—Payments for freight of army provisions or stores, and of provisions and other stores for sea transport service.

Mess of Army Officers.—Payments for messing army officers, civilians of the army department, and of transport officers whilst on board ship.

Passage Money.—Payments for the passage of officers and their servants (including freight of their baggage) to and from England.

The passage of officers between India and the seat of operation will be chargeable to the head of "Freight of Troops."

Fittings.—The cost of fitting ships for the conveyance of troops, horses, or draught animals.

Bedding and Stores for Troops.—Purchases and supplies of articles of bedding and mess utensils, and other miscellaneous stores for the use of troops on board ship, and cost of washing.

Forage and Stores for Horses.—Purchases and supplies of forage and miscellaneous stores for horses and draught animals on board ship.

Pay

Pay of Transport Officers.—The pay and contingent expenses of naval officers and civilians employed specially on duties connected with transport service.

Provisions.—Purchases and supplies of provisions and "medical comforts" for troops on board Her Majesty's troop ships or hired vessels, to be consumed on board ship, and the cost of provisions consumed by troops embarked in vessels of the Indian Marine.

Provisions for land service, medicines, clothing (whether on board ship or for shore service), and arms and ammunition for land or sea service, are army charges in the Imperial accounts. The cost of such supplies should not, therefore, be included in the claims on the Admiralty, and, as far as may be practicable, they should form the subject of distinct vouchers.

The same observation applies to expenses of shipping and landing stores for land service.

It is desirable that the claims be preferred monthly, as the expenses are brought to account, and it is especially necessary that they should be supported by the cash vouchers for payments claimed, and, in the case of supplies out of the Indian Government stores, by statement showing in detail the rate and value of the several articles. The claims for stores purchased or supplied should be accompanied by evidence of the supply to each particular ship, which should be the master's receipt if the vessel pass her accounts in England.

Copies of the charter parties of ships engaged in India should be furnished as early as practicable, and it will be especially necessary that they be produced before the claims for the balance of hire can be admitted.

Vouchers for messing should show the names, rank, and regiments of the officers, and specify the dates and places between which each officer is messed.

In regard to transports engaged by the Bombay Government, and therefore passing their victualling and store accounts in India, the accounts with vouchers, so soon as passed, should be forwarded to England, in order that reclaims may be made for returns or supplies to other departments of the Imperial Government; the examination of the expenditure on board resting entirely with the Indian authorities.

The Indian Government should credit the Admiralty with the value of serviceable stores returned from the transports and with the proceeds of sale of unserviceable stores.

In order that the audit of the ships' accounts may be complete, it is requested that steps may be taken to inform the Admiralty as early as possible of all supplies made from Indian ships and transports to vessels passing accounts in England, and directions will be given for communicating to the Government at Bombay the details of all supplies made by British transports to the Indian ships.

It is especially requisite that the receipt and issue of stores and provisions for land service should be kept distinct from the transactions for sea service, otherwise there must inevitably be delay in the final settlement of the claims between the two Governments.

The Secretary of the Admiralty to the Under Secretary of State for India.

Sir, Admiralty, 28 October 1867.

It being necessary that a separate account should be kept of all expenses chargeable to Naval Votes, incurred in connection with the sea transport of troops and stores for the Abyssinian Expedition, in order that any claims for repayment may be brought under examination as promptly as possible, and that their investigation may not be impeded by the mingling therewith of expenses chargeable to other departments of the Imperial Government, I am commanded by my Lords Commissioners of the Admiralty to request you will lay before Secretary Sir Stafford Northcote the accompanying memorandum, showing the requirements of the Naval Department in order to facilitate this object. And my Lords will be glad for instructions to be issued to the authorities in India, to cause the points adverted to in the memorandum to be duly attended to.

I am, &c.
(signed) *H. G. Lennox.*

App. No. 10.

Statement (A).

ABYSSINIAN TRANSPORTS.

Comparative Cost of bringing the Ships Home and of Discharging them Abroad.

	City of Manchester.	City of Dublin.	Kangaroo.	West Indian.	American.	Californian.
The additional expense payable under the Charter-parties for discharge Abroad, will, in about - - -	10½ months	10 months	7 months	11 months	10½ months	10½ months.
Reach the sum now offered by brokers - - -	£. 10,006 3 months' hire.	£. 10,489 3 months' hire.	£. 8,380 3 months' hire.	£. 9,940 Equal to 4¼ months' hire.	£. 9,796 - ditto -	£. 9,796 - ditto.
The cost of bringing the ship home will be (*see* (B) Statement) - - -	£. 19,694	£. 15,323	£. 15,849	£. 11,053	£. 10,862	£. 10,862
Showing a difference in favour of accepting the broker's offer - - - - -	9,688	4,834	7,469	1,113	1,066	1,066

Statement (B).

Cost of bringing Home Transports for Discharge.

Ship.	Eighty Days, say 2⅔ Months' hire.	Add Cost of Coal.		Total Cost.
		Tons.	Value.	
	£.		£.	£.
City of Manchester - - - - (1,906 tons, 450-horse power.)	8,894	3,240	10,800	19,694
City of Dublin - - - - - (1,998 tons, 250-horse power.)	9,323	1,800	6,000	15,323
Kangaroo - - - - - - (1,719 tons, 350-horse power.)	7,449	2,520	8,400	15,849
West Indian - - - - - (1,804 tons, 200-horse power.)	6,253	1,440	4,800	11,053
Californian - - - - - (1,831 tons, 200-horse power.)	6,062	1,440	4,800	10,862
American - - - - - - (1,831 tons, 200-horse power.)	6,062	1,440	4,800	10,862

Coal taken at nine tons per 100-horse power per day for 80 days, at 3 *l.* 6 *s.* 8 *d.* per ton.

Appendix, No. 11.

PAPERS handed in by Sir *Stafford Northcote*, 20 July 1869. App. No. 11.

From the Controller of Military Accounts to the Governor of Bombay.

My dear Sir Seymour Fitzgerald, Poonah, Friday, 3 April.

I HAVE been very anxious to meet your Excellency's desire to be furnished with a statement of Abyssinian expenditure coming under my control, and dating from the commencement of the expedition up to the month of March; but owing to the fact of very few of the disbursements in the field having been as yet received, I have been obliged to estimate the greater portion of the charges. This has necessarily been a very tedious and laborious task, and having to be performed at a time when the current work of my office is unusually heavy, owing to duties in connection with the expedition having severely taxed the time and energies of all concerned, it has been longer delayed than I could have wished. In order to meet the wishes of your Excellency, as conveyed in a telegram received this morning, I have now the pleasure to forward a statement in which your Excellency will find most of the amounts filled in against the respective headings; those that are left blank will be communicated by telegram to-morrow. According to the numbers on the left hand margin, thus, No. 30, which represents European cavalry in the statement, will be referred to in my telegram by that number, and the figures which will be given opposite to it will exhibit the amount of that particular item, and so on throughout. By having these amounts inserted in their proper places in the statement, it will be rendered as complete as the data at my disposal will allow of. I will also give the grand total in my telegram, so that on receipt of it that also may be inserted, and thus the whole expenditure, so far as my control extends, and so far as I am enabled to estimate, it will be exhibited. It must be borne in mind that while I have made every endeavour to be as correct as possible, still the statement being in a great part based on estimate, the data for which have had to be searched through a large mass of past resolutions, general orders, and statements, must not be accepted as entirely trustworthy as representing the entire expenditure. My statement, as it will hereafter be furnished to Government, will show all expenditure, both ordinary and extraordinary, with the reservation above referred to, but in that now forwarded to your Excellency, I have confined myself to extraordinary charges only, as being those which are alone debitable to Imperial revenues. The following charges, as explained by telegram yesterday, I am not in a position to state or to estimate, and they must be obtained from the authorities at Calcutta, viz., commissariat and other supplies by other presidencies; cooly corps; mule trains, and extraordinary charges of Bengal troops and depôts.

I trust this information may reach your Excellency in time, and that it will be found such as your Excellency requires. If there is anything else necessary, it shall be given with pleasure if in my power. To insure my telegram arriving in good time, I will ask the telegraph office to clear the line, as I believe I shall be warranted in doing this by the importance of the message.

I have, &c.
(signed) *H. J. Barr.*

(No. 6335 of 1867–68.)

MEMORANDUM.

Military Accountant Office, Poona,
21 March 1868.

IN obedience to the instructions contained in Memorandum, No. 1262, of 19th instant, the Military Accountant has the honour to annex a Summary, so far as it can be ascertained, of the amount expended in the Military Department on account:

ABYSSINIAN EXPEDITION.

	Rs.	*Rs.*
Amount audited and rendered to Her Majesty's Secretary of State for India in the Pay Department	1,83,991	
Commissariat ditto	40,55,470	
		42,39,461
Undergoing Audit includes Account about to be rendered:		
Pay Department	22,963	
Commissariat Department	40,09,947	
		40,32,910
Advances, including items held in suspense pending reference		14,87,902
Ordnance Stores		49
Medical ditto		—
Clothing ditto		38,232
	Rs.	97,98,554

App. No. 11.

These figures are exclusive of the greater portion of the expenditure in the Commissariat and Transport Departments in the field, the accounts of which have not been received; this will amount to several lacs of rupees for the purchase and conveyance of cattle, forage, &c., besides a large amount for the Transport Department.

The value of Ordnance and Medical Stores has also been excluded, no accounts having been received.

No portion of the expenditure in other presidencies is included in the above figures, correct accounts, with vouchers, not having been furnished.

(signed) *W. T. Chitty*, Major,
Acting Military Accountant.

(A true copy.)

Gerald Seymour Fitzgerald,
Private Secretary.

(No. 478, of 1868.)

From the Controller of Military Accounts to the Secretary to Government, Military Department.

Sir, Poona, 23 March 1868.

No. 6335, dated 21st March 1868.

In compliance with the request conveyed in your demi-official of the 17th instant (received 19th), I have the honour to forward for the information of his Excellency the Governor, a memorandum drawn up by the Military Accountant, of the actual expenditure in the Military Department, on account of the Abyssinian Expedition chargeable to the British Government, as far as is known to this department up to the present time.

2. In furnishing this information, it is my duty to remark that it is necessarily very imperfect, and that in the absence of accounts from the field and from departments in India, this department is quite unable at present to give any information that could be considered as even approximating to the actual expenditure incurred.

3. The memorandum, it will be seen, is particularly deficient in respect of expenditure, by the supply departments, ordnance and medical, the store accounts of which are very much in arrears. The heads of these departments have been addressed on the subject.

4. If the accompanying memorandum should be adopted by his Excellency the Governor, I would recommend that the Home authorities be advised that it does not include any supplies sent out from England for the expedition.

5. I may state in conclusion, that I have now under preparation an estimate of the probable expenditure on account of the expedition up to the 31st instant, when the current financial year terminates. It is based on the sanctions of Government, and as regards unfixed charges, partly on actual expenditure, and partly on estimates from heads of departments; I hope to be able to complete it in a few days hence.

I have, &c.
(signed) *H. J. Barr*, Colonel,
Controller of Military Accounts.

(A true copy.)

Gerald Seymour Fitzgerald,
Private Secretary.

App. No. 11.

MEMORANDUM showing the Actual and Estimated EXPENDITURE on Account of the ABYSSINIAN EXPEDITION up to the End of the Current Month.

NATURE OF CHARGE.	Actuals up to the End of February last.	Approximate Estimate for March.	TOTAL.
MARINE CHARGES:	*Rs.*	*Rs.*	*Rs.*
Hire of transports, &c.	37,56,969	20,00,000	57,56,969
Stores and coal purchased	26,36,653	5,00,000	31,36,653
Vessels - ditto	8,39,872	- -	8,39,872
CIVIL CHARGES:			
Freight on treasure, &c., sent to Abyssinia	49,101	5,000	54,101
Stores, &c., purchased in the Civil Department for the Expedition	1,20,027	- -	1,20,027
Pay of officers and police guards, and contingent charges	42,407	- -	42,407
	Actual	Approximate up to March.	
Public Works Department	- -	9,50,000	9,50,000
GOVERNMENT OF BENGAL.—MARINE CHARGES:			
Hire of transports	- -	34,72,000	34,72,000
Stores	- -	9,64,000	9,64,000
Miscellaneous	- -	30,000	30,000
Madras	4,705	- -	4,705
TOTAL *Rs.*	74,49,734	79,21,000	1,53,70,734
Add following advances made from the Aden Treasury:			
Lieutenant Colonel Merewether	- -	10,69,894	
Consul at Massowah	- -	70,942	
			11,40,836
TOTAL *Rs.*			1,65,11,570
Deduct amount admitted by Mr. Turner			37,08,162
TOTAL Unadmitted *Rs.*			1,28,03,408

MEMORANDUM of SPECIE REMITTANCES sent to *Abyssinia*, from *Bombay* and *Aden*, including Remittances from Secretary of State.

	Rs.	*Rs.*
Remittances sent to Captain Young, Senior Paymaster, Abyssinian Field Force:		
From Bombay	10,00,000	
From Aden	10,93,750	
		20,93,750
Remittances sent to Lieutenant Colonel Bartlett, Treasurer, Abyssinian Field Force:		
From Bombay	30,00,000	
From Aden	15,79,375	
		45,79,375
Amount taken from the Aden Treasury by Sir Robert Napier, Commander in Chief, Abyssinian Field Force		1,09,375
	Rs.	67,82,500

Accountant General's Office,
25 March 1868.

(signed) *J. L. Lushington,*
Accountant General.

(True copy.)
Gerald Seymour Fitzgerald,
Private Secretary.

App. No. 11.

ESTIMATED AMOUNT of CHARGES Debitable to the British Government, in connection with the ABYSSINIAN EXPEDITION, up to 31st March 1868.

	Nature of Charges.	Amount.			Total.		
	PAY AND ALLOWANCES.						
	STAFF AND DEPARTMENTS.	*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*
1	His Excellency the Commander in Chief and Staff	16,205	9	4			
2	Political Establishment	2,218	12	9			
3	Adjutant General's Establishment	5,469	–	11			
4	Quartermaster General's Department	31,730	10	4			
5	Intelligence Department	11,002	–	8			
6	Judge Advocate General's Department	1,539	15	–			
7	Divisional and Brigade Staff	56,887	10	4			
8	Remount Agency	925	12	11			
9	Artillery Brigade Staff	7,420	15	2			
10	Engineer Department	69,903	15	11			
11	Water Supply Department	5,183	1	2			
12	Bazar Department	18,512	14	1			
13	Army Works Corps	29,693	6	6			
14	Medical Department, British	71,057	11	5			
15	Ditto Indian	42,594	7	3			
16	Ordnance Department	20,470	12	2			
17	Camp Equipage	7,535	–	–			
18	Commissariat Establishment	15,13,714	4	2			
19	Account Department	20,441	7	10			
20	Provost Marshal's Department	1,298	4	4			
21	Ecclesiastical Establishment	6,800	–	–			
22	Meteorological Establishment	988	12	–			
23	Geological Survey Establishment	1,162	9	3			
24	Great Trigonometrical Survey Establishment	2,568	–	–			
25	Telegraph Establishment	3,249	12	–			
26	Postal Establishment	5,168	10	2			
27	Bunder Master, Zoulla	2,800	–	–			
28	Railway Establishment	20,090	–	–			
					19,76,633	7	8
	ARMY.						
	EUROPEAN:						
29	Artillery	85,000	–	–			
30	Cavalry	5,500	–	–			
31	Infantry	18,000	–	–			
	NATIVE:						
32	Artillery	4,200	–	–			
33	Sappers and Miners	20,000	–	–			
34	Cavalry	3,500	–	–			
35	Infantry	92,600	–	–			
36	Increased strength, Native Cavalry	57,000	–	–			
37	Ditto Native Infantry	76,500	–	–			
					3,02,300	–	–
38	Contingent Charges, including Presentation Articles				1,50,000	–	–
39	Commissariat Supplies, purchased, and from Stock				1,52,50,000	–	–
40	Land Transport				5,00,000	–	–
41	Ordnance Supplies:						
	By purchase				5,30,000	–	–
	Stock	Not known.					
42	Clothing Supplies				50,000	–	–
43	Medical Supplies from Stock	Not known.					
44	Purchase of Remounts				1,25,000	–	–
				Rs.	1,89,44,000	–	–

Poonah, 3 April 1868.

H. J. Barr, Colonel,
Controller of Military Accounts.

App. No. 11.

Governor of Bombay to Secretary of State.

Copy of Telegram.

April 1——April 5.

I have had great difficulty in obtaining information desired as to Abyssinian expenditure. Our accounts here are to a late date, but though I telegraphed to Calcutta immediately your telegram arrived, I have no reply. Expenditure, actual and estimated, to April 1, as rendered by the Accountant General:—

	£.
Bombay marine charges, including transport coal and stores -	974,000
Estimated Bengal marine charges - - - - -	450,000
Bombay civil charges and engineering charges in P. W. Department - - - - - - - - - -	116,000
Cash remittances, including advances from Aden Treasury -	792,000

In Military Accountant's Department may be taken as follows:—Expenditure audited and rendered to you, 424, or twice 278,000 *l.*; undergoing audit, including Pay and Commissariat Department, 556,000 *l.*

I think some charges understated, and have given round numbers, not including stores for four months additional, just dispatched, which come into next year; nor larger part of commissariat and transport charges in the field, which charges have not been rendered; nor ordnance and medical stores. Military expenditure in other Presidencies also, not including expenditure in Egypt, which you know better than I, as I conclude Sir R. Napier acts on your sanction, and renders you account. Our expenditure for stores here should carry them on till November, and, by last account, they had 250,000 *l.* in rupees and sovereigns at Zoulla. Ordinary commissariat and pay disbursements somewhat over three (?) lacs per month. Full particulars by mail.

Appendix, No. 12.

PAPERS delivered in by Admiral *Mends*.

App. No. 12.

COPY of LETTER referred to by Admiral *Mends* in Answer to Question 1724.

6, Westminster Chambers, Victoria-street, S.W.,
21 October 1867.

Sir,

THINKING it not improbable that the requirements of the service may render necessary an increase in the number of vessels now employed by the Government as transports, I beg to request that you will lay before the Lords Commissioners of the Admiralty my offer to sell the four screw steam-ships "Indiana," "Calentia," "Hydaspes," and "Lady Jocelyn,' whose qualifications are detailed in the accompanying list.

Three steam-ships belonging to the same fleet, and of somewhat similar dimensions, viz., the "Golden Fleece," the "Mauritius," and the "Queen of the South," have already been taken up for the Abyssinian Expedition; and the four above-mentioned have also been engaged as transports, and highly approved of by their Lordships' officers.

Under peculiar circumstances, I am enabled to offer the four ships to the Government for the sum of 80,000 *l.*, a price which you will perceive, from the enclosed copy of a letter from Mr. Mare, who built them, is not very much more than the sum which he received for each when they first left his yard.

I have, &c.
(signed) *B. Charles Stephenson.*

The Secretary to the Admiralty.

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22 October 1867.

THE sum asked for the four ships is very moderate, if they be in fair condition; but should their Lordships be disposed to entertain the question of purchase, it would be necessary to have them surveyed, first, as to their sea-worthiness, and in order to ascertain the probable outlay to adapt them permanently as troop-ships. Should the Expedition to Abyssinia be prolonged much beyond what was originally contemplated, it would certainly cost less for the Government to possess their own ships, and to discharge some of the transports. It is to be observed that there are four other steam-ships for sale, lying in the Birkenhead Docks, late of the Galway line, of newer build, and probably in better condition, which it is understood may be purchased also for a moderate sum, about 80,000 *l.*, or 100,000 *l.*, for the four.

It is, however, to be observed, that no ship built for mercantile purposes is well suited to give satisfaction as a permanent troop-ship.

(signed) *W. R. Mends,*
Director of Transports.

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31 October (No. 432.)

THE ships of the Galway line were all reported on very unfavourably.

(signed) *W. G. Romaine.*

THE Board do not wish to purchase these ships.

(signed) *H. G. Lennox.*

4 November.

ESTIMATE of the probable Amount of SAVING realised by the Discharge of the undermentioned TRANSPORTS at *Bombay*, instead of sending them to *England*.

SHIPS' NAMES.	Extra Sum paid for Discharge at Bombay.	Expense which would have been incurred had the Ships been ordered Home for discharge.			Result of Discharge at Bombay.	
		Hire, 88 Days.	Estimated Cost of Coal as per accompanying Statement.	TOTAL.	Saving.	Loss.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d
City of Manchester -	10,982 18 8	9,672 19 –	8,971 19 –	18,644 18 –	7,661 19 4	—
City of Dublin - -	10,186 10 6	10,023 6 –	7,904 4 6	17,927 10 6	7,741 – –	—
Kangaroo - -	8,380 2 6	8,100 15 9	8,647 11 6	16,748 7 3	8,368 4 9	—
West Indian - -	9,227 – 4	6,722 18 1	5,384 14 –	12,107 12 1	2,880 11 9	—
American - -	9,017 13 6	6,593 2 6	5,646 18 6	12,240 1 –	3,222 7 6	—
Californian - -	9,460 3 4	6,517 6 10	5,107 9 6	11,624 16 4	2,164 13 –	—
Queen - - -	19,783 2 6	18,903 17 6	10,347 19 6	29,251 17 –	9,468 14 6	—
Peruvian - - -	20,577 12 7	10,377 8 3	7,118 12 6	17,496 – 9	- - -	3,081 11 10
				Total - - - - -	41,507 10 10	3,081 11 10
				Deduct Loss - - -	3,081 11 10	—
				Net Saving - - £.	38,425 19 –	—

ESTIMATE of the probable Cost of COALS for the RETURN VOYAGE from *Bombay* of the undermentioned TRANSPORTS, based on the actual Consumption for the outward Voyage.

SHIPS' NAMES.	Horse Power.	Coals consumed on Outward Voyage.	Homeward Voyage. Estimated to be Received at			AMOUNT.
			Bombay $\frac{3}{8}$, at 70 *s.* 6 *d.* per ton.	Cape $\frac{3}{8}$, at 104 *s.* per ton, Average Price.	Cape Verds $\frac{2}{8}$, at 49 *s.* per ton.	
		Tons.	*Tons.*	*Tons.*	*Tons.*	£. s. d.
City of Manchester - - -	450	2,310	866	866	578	8,971 19 –
City of Dublin - - - -	250	2,035	763	763	509	7,904 4 6
Kangaroo - - - - -	350	2,226	835	835	556	8,647 11 6
West Indian - - - -	200	1,386	520	520	346	5,384 14 –
American - - - - -	200	1,454	545	545	364	5,646 18 6
Californian - - - -	200	1,315	493	493	329	5,107 9 6
Queen - - - - -	350	2,664	999	999	666	10,347 19 6
Peruvian - - - - -	300	1,833	687	687	459	7,118 12 6

App. No. 12.

COPY OF CONTRACT FOR SUPPLY OF COAL.

CONTRACTED and agreed upon the Twenty-ninth day of September, in the year of our Lord One thousand Eight hundred and Fifty-five, by and between William Cory the younger and Richard Cory, of Commercial-road, Lambeth, in the county of Surrey, coal merchants and co-partners, trading under the firm of William Cory & Sons, of the one part, and the Commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, for and on behalf of Her Majesty, Her heirs and successors of the other part, as follows; that is to say, the said William Cory the younger and Richard Cory do for themselves, their executors, and administrators hereby covenant, contract, and agree to and with the said Commissioners, free of all charges to Her Majesty beyond the prices hereinafter mentioned, to supply and deliver within Twenty-four hours after each respective demand, in the River Thames, from Deptford to Woolwich, both inclusive, on board all and every of Her Majesty's transports, whether belonging to or hired by Her Majesty during the continuance of this contract, at the rate of not less than Sixty tons each day, all such quantities of all or any of the following denominations of coals, at the option of the said Commissioners, namely; Handpicked Bettws, Merthyr Nixon's Merthyr Aberaman Merthyr, Sgyborwen Merthyr, Waynes Merthyr and Gadley, Blaengwaur Gwythen, Charcoal Vein, Graigola Parson's Graigola Parson's Abley Graigola Bryndorway, Powell's Duffryn, Llangenneck, Resolven, Cameron's Coalbrook, Ebbw Vale, Marfa Cwm Amman Merthyr, Machin Rock Vein, Nevill's Llanelly, Fothergill's Aberdare, Tredegar, Ewloe Brymbo, or Coed Talon, or Handpicked, or screened, Rubby Heaton, Hastings and Willington, and Jonassohn's Hartly Hartly Collieries, Carr's and West Hoyland, Nelson and Buddle's, and Ravensworth, and Davidson's and Hartlepool and Longridge's West Hartley, Darley Main, Stewart's and Stanhope's, and Lambton's Wallsend coals, as shall from time to time be demanded of them by the said Commissioners, or by the captain, superintendent, or officers of Her Majesty's dockyards at Deptford and Woolwich.

In consideration whereof, the said Commissioners do hereby, for and on behalf of Her Majesty, covenant and agree that the said William Cory the younger and Richard Cory, their executors and administrators shall be paid for the South Wales coals so delivered at the rate of Twenty-two shillings and Sixpence per ton, and for the other coals so delivered at the rate of Nineteen shillings and Sixpence per ton, including port charges, dues, the expense of delivery on board, and every other charge whatsoever. And it is hereby covenanted and agreed upon by and between the said parties, that all the coals to be supplied in pursuance of this Contract shall be fresh wrought, the best of their respective sorts, and the Welsh coals shall be handpicked, and the other coals handpicked or screened by a half-inch screen, and shall, when so delivered on board the said transports as aforesaid, be clean, good, merchantable, well-conditioned, entirely free from dust, such as shall be approved of by the proper receiving officers of the said Commissioners, and in every respect fit for the service of Her Majesty's transports. And in case of any dust being delivered, or of the delivery of any coals which from defects or inferior quality shall be refused by the said officers, it is hereby covenanted and agreed that the same shall be immediately removed and taken away by the said William Cory the younger and Richard Cory, their executors or administrators, at their own expense; and if not so removed and taken away, the said officers shall have power and be at liberty to remove or otherwise dispose of such dust and rejected coals in whatever manner they may deem most convenient for Her Majesty's service, and the expense of so removing or otherwise disposing of such dust and coals, together with the expense which may be incurred by the said officers in separating the dust from the coals, shall be borne by the said William Cory the younger and Richard Cory, and be deducted and abated by the said Commissioners from the bills to be made out by them to the said William Cory the younger and Richard Cory, or shall be otherwise repaid by them. And it is also covenanted and agreed upon by and between the said parties, that in case the said William Cory the younger and Richard Cory, their executors or administrators, shall fail or make default in supplying and delivering on board the said transports all such coals herein-before mentioned as shall from time to time be demanded as aforesaid, within Twenty-four hours after the same shall have been so demanded, and at the rate each day herein-before mentioned, and the said Commissioners or the said officers shall thereby find it necessary to purchase other coals in lieu thereof, then, and in such case the said William Cory the younger and Richard Cory, their executors or administrators shall pay all extra expenses incurred thereby over and above the sum of Five hundred pounds hereinafter mentioned, as stipulated or ascertained damages for the breach of this Contract, or have the amount thereof deducted and abated from any bill or bills which may be made out to them in pursuance of this Contract.

And it is hereby further covenanted and agreed upon that this contract shall commence on the day of the date hereof, and shall continue in force from that time for Twelve months certain, and after the expiration of that time until the expiration of Three months' warning or notice, which shall be given in writing by either party to the other to discontinue the same; Provided always nevertheless that in case of any breach of this Contract on the part of the said William Cory the younger and Richard Cory it shall be lawful for the said Commissioners, by writing, under their hands, or under the hand of their secretary, to determine this contract without any previous notice to the said William Cory the younger and

and Richard Cory, nor shall they be entitled to any compensation in consequence of such determination.

And the said William Cory the younger and Richard Cory do covenant and promise that with every delivery of coals which shall be made on board the said transports respectively, there shall be sent in duplicate a bill of parcels for the same (the duplicate to be returned to them as hereinafter mentioned), and that every claim of payment for the deliveries under this contract shall be made by invoices (according to a form to be obtained from the said Commissioners), to be lodged in the office of the Accountant Geueral of the Navy by the said William Cory the younger and Richard Cory, their executors or administrators.

And the said Commissioners do hereby, for and on behalf of Her Majesty, further covenant and agree that upon every delivery of coals under this contract the proper receiving officers respectively shall insert the quantities received by them in the duplicate bill of parcels to be sent therewith, as hereinbefore mentioned, and return every such duplicate bill to the said William Cory the younger and Richard Cory, their executors or administrators, and that upon the lodging of such invoices as aforesaid, bills for the amount due shall forthwith be made out to the said William Cory the younger and Richard Cory, their executors or administrators, payable by Her Majesty's Paymaster General in seven days from and after the respective dates thereof.

And the said William Cory the younger and Richard Cory do also covenant and promise that they will not give, or cause to be given, to any person whomsoever employed in Her Majesty's service, or to any person or persons on their or any of their behalf, or for their or any of their use, any fee, gratuity, or reward for any favour shown to them in relation to this contract, on any pretence whatever, on account thereof, and that with the first and last delivery of coals on board the said transports they will deliver to the Accountant General of the Navy a written declaration, signed by themselves, that they have not promised, given, or caused to be given, any money, bond, bill, note, or other security for money, or anything whatever by way of fee, gratuity, or reward contrary to the covenant last above mentioned.

And the said William Cory the younger and Richard Cory do for themselves, their heirs, executors and administrators, also covenant, contract, and agree to and with the said Commissioners that they, the said William Cory the younger and Richard Cory shall not, and will not, at any time or times during the continuance of this contract, transfer or assign the same, or any part, share, or interest of, in, or to this contract, or cause or procure this contract, or any part, share, or interest of, in, or to the same, to be transferred or assigned to any person or persons whomsoever without the authority and approbation of the Commissioners for executing the office of Lord High Admiral of the United Kingdom for the time being, which authority and approbation shall be of no avail unless the same, together with the assignment of the part, share, or interest (which assignment it shall and may be lawful for them, with such authority and approbation as aforesaid, to make and execute), be endorsed hereon or annexed hereto, and regularly signed, in the presence of a credible witness, by two of the said Commissioners, and by them, the said William Cory the younger and Richard Cory, and by the person or persons to whom this contract, or any part, share, or interest of, in, or to the same shall or may have been so transferred or assigned.

And if the said William Cory the younger and Richard Cory, their executors or administrators, shall at any time make, do, execute, commit, or willingly or knowingly suffer any act, deed, matter or thing whatsoever, whereby or by reason or means whereof this contract, or any part, share or interest of, in, or to the same, is, can, shall, or may be transferred or assigned without the authority and approbation of the said Commissioners, and without such indorsement made hereon or annexed hereto, and signed as aforesaid, then, and in such case, the said William Cory the younger and Richard Cory, their executors or administrators, shall pay the sum of five hundred pounds, by way of liquidated damages, to the said Commissioners. And moreover, in such case it shall and may be lawful to and for the Commissioners for executing the office of High Lord Admiral of the United Kingdom for the time being, by writing, under the hands of any two of them, or under the hand of the Secretary of the Admiralty for the time being, directed to the said William Cory the younger and Richard Cory, or the survivors or survivor of them, or the legal representatives or representative of the last survivor, to declare this contract to be dissolved and become absolutely null and void, and that, on the delivery of such last-mentioned writing to any one of them, the said William Cory the younger and Richard Cory, or to such survivor or representatives or representative as aforesaid, or leaving the same at their or his last places or place of abode respectively this present contract, and every article, clause, matter, and thing herein contained shall from thenceforth be dissolved and become absolutely null and void to all intents and purposes whatsoever.

And the said William Cory the younger and Richard Cory do, for themselves, their heirs, executors, and administrators further covenant, contract, and agree that whenever this contract, or any part, share, or interest of, in, or to the same shall, by the said Commissioners, be allowed to be transferred or assigned to any person or persons whomsoever, they, the said William Cory the younger and Richard Cory, and any other person or

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persons to whom any transfer or assignment of any part, share, or interest of and in such contract may have been before made, shall and will, prior to such transfer or assignment being made, produce to the said Commissioners a declaration made by himself or themselves, as the case may require, that he or they hath not or have not at or before the time of making such declaration taken, received, or derived, and that he or they will not at any time thereafter take, receive, or derive, either directly or indirectly, any profit, emolument, recompense or reward for or on account, or by reason or means of such transfer or assignment.

And the said William Cory the younger and Richard Cory for themselves, their heirs, executorss, and administrators likewise further covenant, contract and agree to and with the said Commissioners, that if this contract, or any part, share, or interest of, in, or to the same, shall at any time be transferred or assigned to any person or persons aforesaid that in such case the said William Cory the younger and Richard Cory shall and will, notwithstanding such transfer or assignment, be responsible for the due and faithful execution hereof by the person or persons to whom such transfer or assignment may be made, and in case such last-mentioned person or persons shall fail or neglect to comply with the terms of this contract, or any part thereof, they, the said William Cory the younger and Richard Cory, hereby covenant with the said Commissioners to be accountable and to answer for and make good the same in like manner as if no such transfer or assignment had taken place.

And in pursuance of the directions contained in a certain Act of Parliament made and passed in the 22nd year of the reign of King George the Third, intituled, "An Act for restraining any person concerned in any contract, commission, or agreement made for the public service from being elected or sitting and voting as a Member of the House of Commons," it is hereby expressly declared and agreed that these presents are upon this express condition, and the said William Cory the younger and Richard Cory covenant for themselves, their heirs, executors, and administrators, that no member of the House of Commons shall be admitted to any share or part of this contract or agreement, or to any benefit to arise therefrom.

And lastly, for the due and faithful performance of all and singular the covenants, conditions, provisoes, clauses, articles, and agreements hereinbefore contained, which, on the part and on behalf of the said William Cory the younger and Richard Cory are, or ought to be, observed, performed, fulfilled, or kept, the said William Cory the younger and Richard Cory hereby bind themselves, their heirs, executors, and administrators unto our Sovereign Lady the Queen in the sum of five hundred pounds of lawful British money, to be paid to our said Lady the Queen, Her heirs and successors, by way of stipulated or ascertained damages, agreed upon between the said Commissioners and the said William Cory the younger and Richard Cory (over and above such extra cost and expenses as hereinbefore mentioned) in case of the failure of the said
in the due execution of this contract, or any part thereof.

In witness whereof the said parties to these presents have hereunto set their hands and seals the day and year first above written.

(signed) *William Cory*, Junior, (L.S.)
Richard Cory, (L.S.)
Peter Richards, (L.S.)
A. D. Milne, (L.S.)

Signed, sealed, and delivered (being first duly stamped) in the presence of

(signed) *Antonio Brady.*

Attested copy.

(signed) *Antonio Brady.*

KNOW ALL MEN BY THESE PRESENTS, that we, William Cory the younger and Richard Cory, of Commercial-road, Lambeth, in the county of Surrey, coal merchants, and co-partners, trading under the firm of William Cory & Son, Henry Crang of Commercial-road, Lambeth, in the said county, gentleman, and James Henry Phillips of St. John's-road, Holloway, in the county of Middlesex, gentleman, are jointly and severally held, and firmly bound, unto our Sovereign Lady Victoria, by the Grace of God Queen of the United Kingdom of Great Britain and Ireland, in Five hundred pounds of good and lawful money of Great Britain, to be paid to our said Sovereign Lady the Queen, her Heirs or successors, to which payment, well and truly to be made, we bind ourselves and each of us for the whole and our several and respective heirs, executors, and administrators, and each and every of them firmly by these presents. Sealed with our seals. Dated this Twenty-ninth day of September in the year of our Lord One thousand eight hundred and sixty-five.

The condition of the above obligation is such, that if the above-bounden William Cory the younger and Richard Cory, their executors or administrators, do and shall well and truly observe, perform, fulfil, and keep all and singular the covenants, promises, articles, clauses,

clauses, agreements, matters, and things mentioned and contained in a certain deed under seal, bearing even date herewith, purporting to be a contract made between the above-bounden William Cory the younger and Richard Cory, of the one part, and the Commissioners for executing the Office of Lord High Admiral of the United Kingdom of Great Britain and Ireland (for and on behalf of Her Majesty) of the other part, which on the part and behalf of the above-bounden William Cory the younger and Richard Cory, their executors or administrators, are and ought to be observed, performed, fulfilled, and kept, according to the true sense, intent, and meaning of the said instrument or contract, that then the above obligation shall be void and of no effect, or otherwise shall be and remain in full force and virtue. App. No. 12.

(signed) *William Cory*, Jun. (L.S.)
Richard Cory (L.S.)
Henry Crang (L.S.)
J. H. Phillips (L.S.)

Signed, sealed, and delivered (being first duly stamped) in the presence of
(signed) *Antonio Brady.*

COPY OF CHARTER-PARTY—TRANSPORT.—No. 1.

THIS CHARTER-PARTY OF AFFREIGHTMENT, made this Thirty-first day of August in the year of our Lord One thousand eight hundred and sixty-seven, by and between the Commissioners for executing the Office of Lord High Admiral of the United Kingdom of Great Britain and Ireland (for and on behalf of Her Majesty) of the one part, and Henry Elias Moss, of Rumford-place, Liverpool, in the county palatine of Lancaster, ship broker, trading under the firm of "H. E. Moss & Co." (for and on behalf of the owners of the *steam* ship under mentioned) of the other part, WITNESSETH that the second-named party hath let, and the said Commissioners have hired and taken to freight, the good ship undermentioned, viz.: Managing Owner: William Inman, Liverpool.

Ship's Name.	*Gross* Tons by Register, New Measurement.	Master's Name.
City of Manchester - -	One thousand nine hundred and six	Henry Manning.

Ship and tonnage.

for the service and employment hereinafter mentioned, for the space of six calendar months certain, and thenceforward until the Commissioners for executing the office of Lord High Admiral aforesaid for the time being shall cause notice to be given to the said second-named party, his executors or administrators, or to the master or other person having charge of the said ship, that she is discharged from Her Majesty's service, such notice to be given after the said ship's return to Deptford, Portsmouth, or Plymouth, as shall be deemed most convenient for Her Majesty's service, or at Bombay, as hereinafter provided: And the said second-named party doth covenant and agree with the said Commissioners in manner following; that is to say, that the said ship shall be strong, firm, tight, staunch, and substantial, both above water and beneath, and in every respect seaworthy, and properly equipped and found, during the time she shall be employed under this charter-party; and that the said ship shall, at all times during the said service, carry the British national ensign, and be provided with a proper and sufficient crew of officers, seamen, *engineers, stokers, firemen,* and other persons, agreeably to the regulations for Her Majesty's transport service; and that the said ship shall, at all times during the said service, be properly fitted and furnished with *engines, machinery,* masts, yards, sails, boats, anchors, cables, cordage, fire engine, *every requisite for keeping the machinery in effectual working order,* and all other stores fit and needful for such a ship for the said service, and particularly with the articles specified in the indents of stores contained in the regulations for Her Majesty's transport service, all of which shall be provided and done at the proper cost and charge of the said owners; and that the said ship, being so properly equipped, stored, and manned, shall forthwith proceed to such port or place as shall be directed, and the master shall there receive and take on board her all such persons, horses, stores, provisions, and whatsoever else may be ordered to be put on board her, and therewith proceed (with or without convoy, at the option of the said Commissioners) to such ports or places as the said Commissioners, their agent, or the officer in chief whose command the said master shall be under, shall order and direct, and there immediately on her arrival make a right and true delivery of her cargo agreeably to the receipts, bills of lading, or indents which shall have been signed for that purpose; and after having made such right and true delivery, shall and will receive on board such other persons,

Period of hire.

Discharge.

Ship to be seaworthy, &c.

Officers and crew.

Indent of Stores, &c.

To take on board passengers, stores, &c.

To proceed as directed.

NOTE.—The words in *italics* are applicable only in the case of a steam transport.

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persons, horses, stores, and other articles as aforesaid, as shall be ordered to be put on board her, and proceed therewith as shall be directed, and so from time to time during the continuance of the said ship in Her Majesty's service, in the performance of all which services the said master and his crew, with his boats, shall be aiding and assisting to the utmost of their power. That the said master or other person having charge of the said ship shall give and sign receipts, bills of lading, or other proper indents for all and whatsoever he shall receive on board as aforesaid (men and horses excepted), and be accountable for the same. That the said master or other person having charge of the said ship shall not nor will take, or permit to be taken, on board thereof, during her employment under this charter-party, any passengers, goods, letters, or effects without the license and consent of the said Commissioners, or the officer in chief whose command he may be under, in writing for that purpose first had and obtained; and that the master of the said ship (for and on behalf of the owners) shall obey all orders and instructions which he may receive from the said Commissioners, their agents, or the officer or officers in chief whose command he may be under, and the owners and master respectively shall in all respects comply with the printed regulations for Her Majesty's transport service, which are to be taken to be incorporated with and to form part of this charter, in so far as the same are applicable thereto, and with the printed instructions furnished for the master's guidance; and the master shall be responsible to Her Majesty for the due and proper care and preservation of all public stores or provisions which may be put on board her, for preventing any waste, embezzlement, or misappropriation thereof, and for duly and properly accounting for the disposal of the same: and that the owners of the said ship shall be held responsible to Her Majesty for any deficiency in quantity, or any loss or damage which shall arise to the said stores or provisions from the state of the ship's stowage, or from any incapacity, want of skill, insobriety, or negligence on the part of the master, officers, *engineers*, *stokers*, *firemen*, or crew of the said ship, or any of them, according to such valuation as shall be set thereon by the proper officer of the department to which they shall belong: and that the owners of the said ship shall bear, pay, and discharge all charges for and relating to pilotage for or in respect of the said ship during the whole of the period of her employment under this charter-party: and that if the said Commissioners, their agents, or other properly authorised person shall require messing or victualling to be supplied by the master of the said ship for officers or other persons ordered to be received on board, then and in that case a suitable table and provisions and other requisites, agreeably to the regulations for Her Majesty's transport service, shall be provided by him accordingly, which shall be paid for by the said Commissioners at the rates specified in the said regulations: *and that the coals for the steam engines shall be supplied by the Crown.*

Master and crew to assist with boats.

Master to sign receipts for stores received on board.

Not to take passengers or goods without authority.

Master to obey orders.

Owners responsible for loss or damage to public stores.

Pilotage.

Messing and victualling to be supplied.

Coals.

Rate of payment.

In consideration of which covenants and conditions it is agreed by the said Commissioners, for and on behalf of Her Majesty, in manner following; that is to say, that the said second-named party shall be allowed and paid for the hire and freight of the said ship, if discharged in England, at the rate of Thirty-five shillings per ton per calendar month, or if discharged in Bombay at the rate of Forty-five shillings per ton per calendar month, for the number of tons above mentioned, during such time as the said ship shall be continued in Her Majesty's employ, and shall duly and efficiently perform the service for which she is hereby engaged; that the said second-named party shall, on signing and sealing hereof, be entitled to receive a bill, made out and registered according to the usage of the navy, for two calendar months' freight upon account, and in part payment, according to the rate and tonnage aforesaid: provided it be certified by the inspecting officer that the said ship is ready to proceed on Her Majesty's service; and after the said ship shall have been in the said service three calendar months from the commencement of the said service, and the second-named party shall have produced to the said Commissioners a certificate, in the required form, the said second-named party shall be entitled to receive a further bill for the freight from the date to which payment has been made on account, as aforesaid, up to the last day of the then last calendar month; and after the said ship shall have been in the said service two further months from such last day, and the said second-named party shall have produced to the said Commissioners such certificate as aforesaid for such two further months, the said second-named party shall be entitled to be paid up to the end of the calendar month preceding that in which such two months of the said service terminate, a further bill in respect of such two further months, after deducting therefrom a sufficient sum to leave always the pay for at least one month in arrear, for the security of Government, during the ship's continuance in the said service, which arrear shall be paid on the passing in office of the requisite accounts after the discharge of the said ship: and when the said ship shall have been in the said service one further month, and the said second-named party shall have produced to the said Commissioners such certificate as aforesaid for such one further month, the said second-named party shall be paid in respect of such further month up to the expiration of the calendar month preceding that in which such further month of the said service terminates, and in like manner a further bill for each subsequent month's freight, according to such certificate as aforesaid, for the time being, at the end of each calendar month; all which aforesaid payments shall be made in England, by bills payable in three days from and after the respective dates thereof by Her Majesty's Paymaster General: Provided always, and it is hereby agreed and declared, that if at any time or times hereafter it shall be made to appear to the said Commissioners that any loss of time, breach of orders, neglect of duty, or non-compliance with the printed regulations for Her Majesty's transport service, or with the printed instructions furnished for his or their guidance by the said owners, master, or other person having charge of the said ship, has happened during the aforesaid service;

Two months' pay in advance.

Subsequent payments.

Breach of orders, &c.

or

or that from any deficiency of officers or men, want of provisions or stores, *break down of engines*, or any defect or cause whatsoever, the said ship became incapable to perform efficiently the service contracted for, then, and in every such case, it shall and may be lawful to and for the said Commissioners to retain in arrear the pay of the ship for two months, instead of for one month, at the least, as aforesaid, and to put the said ship out of pay, or to make such abatement, by way of mulct, out of the hire or freight of the said ship as they shall adjudge fit and reasonable; and it is further agreed, on the part of Her Majesty, that if the said ship shall happen to be by the enemy burnt, sunk, or taken during the aforesaid service, and it shall be made to appear, to the satisfaction of the said Commissioners, that the same did not proceed through any fault, neglect, or otherwise in the master or the ship's company, and that they made the utmost defence they were able, the value of her shall be paid for by Her Majesty, according to the valuation made thereof on declaration by officers of the said Commissioners (reasonable wear and tear first deducted); but that if the said ship shall be lost from the dangers of the sea or tempest, or be driven on shore by accident, stress of weather, or any other cause, and thereby be lost, damaged, captured, or rendered incapable of service, either upon an enemy's or a friendly coast, such loss, damage, capture, or insufficiency shall be considered as a sea risk, and Her Majesty in such case shall not be liable to pay for, or be in any manner prejudiced by, any such loss, damage, capture, or insufficiency; and in pursuance of the directions contained in a certain Act made and passed in the twenty-second year of the reign of King George the Third, entitled "An Act for restraining any person concerned in any contract, commission, "or agreement made for the public service from being elected or sitting and voting as a "Member of the House of Commons," it is hereby declared and agreed, and these presents are upon this express condition, that no Member of the House of Commons shall be admitted to any share or part of this contract or agreement, or to any benefit to arise therefrom. And, lastly, for the due performance and keeping of all and singular the covenants, conditions, and agreements herein contained on the part and behalf of the said second-named party, or of the master or owners of the said ship, the said second-named party doth hereby bind and oblige himself, his heirs, executors, and administrators, and the said ship, her apparel and furniture, unto Her Majesty, Her heirs and successors, in the penalty or sum of One thousand *(One thousand five hundred)* pounds of lawful money of Great Britain.

Breach of contract.

Mulcts, &c.

War risk.

Sea risk.

Members of Parliament.

Penalty.

In witness whereof the said second-named party hath set his hand and seal to one part hereof, and to the other part hereof two of the said Commissioners, for and on behalf of Her Majesty, have set their hands and caused the Seal of the Admiralty to be affixed the day and year first above written.

Enters into pay the fourth day of September One thousand eight hundred and sixty-seven.

H. E. Moss. (L.S.)

Signed, sealed, and delivered (being first duly stamped), in the presence of

A. S. Stuart.

Attested Copy.
Antonio Brady.

EXAMPLE.

	Chartered	Certified to	Paid up to	Pay Retained.
1	15 May 1861.	2 Months' advance.	15 July 1861 (2 months).	—
2	1 Month more in service.	15 August 1861.	31 July 1861 (½ month).	15 days.
3	2 Months more in service from last payment	30 September 1861.	31 August 1861 (1 month).	1 month.
4	1 ditto - ditto.	31 October 1861.	30 September 1861 (1 month).	1 month.

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TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON THE

ABYSSINIAN WAR.

Ordered, by The House of Commons, *to be Printed,*
30 *July* 1869.

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Statement by Mr. Turner, dated Bombay, 18th December 1868, showing the total expenditure in India in respect of coals, &c., including outstanding charges, *App.* 176–181——Further statement, dated Bombay, 9th April 1869, showing the expenditure for coals, *ib.* 184——Statement, dated Bombay, 9th April 1869, showing the amount of receipt or credit in respect of coals, *ib.*

See also *Aden.* *Annesley Bay.* *Steam Transports.* *Transports.*

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"Collingwood," The. Difficulty in the way of utilising the "Collingwood" as a hospital ship, *Tryon* 2379, 2380. 2464.

Commissariat. Large expenditure by the commissariat in Abyssinia, which could not have been estimated in India. *Turner* 930–940.

Statement, dated Bombay, 18th December 1868, showing the total expenditure in India in respect of the commissariat, &c., including outstanding charges, *App.* 176–181——Statement, dated Bombay, 9th April 1869, showing the amount of receipt or credit in respect of commissariat stores, &c. *ib.* 183——Further statement, dated Bombay, 9th April 1869, showing the expenditure under this head, *ib.* 184.

Condensing. See *Water Supply.*

Contracts. Statement as to witness's department of the India Office having had nothing to do with any of the contracts, *Seccombe* 759–764——Witness had nothing to do with coal contracts, or any other contracts, *Turner* 807–811. 944–957——Question as to contractors for coals, &c. conspiring to extort high prices from Government, *Hon. R. Dundas* 1327, 1328. 1368–1372. *See* also *Coal. Transports.*

Cost of Expedition. See *Expenditure.*

Crimean War. Large supplementary vote necessary in the case of the Crimean war, *General Jameson,* 597, 598——Sacrifice involved in the disposal of cavalry horses in the Crimea, in order to avoid the cost of transport, *ib.* 599–602——Very much higher rates for transports during the Crimean war than on the present occasion, *Admiral Mends,* 1847–1851——Great confusion at Balaclava as compared with Annesley Bay, *Tryon* 2490, 2491.

D.

Discharge of Transports. See *Transports.*

Docking of Transports. Necessity of docking some of the vessels at Bombay, on account of the coralline formation on the bottoms; detention on this score, *Tryon* 2429–2431.

Dollars. Reason for concluding that the dollar was the coin the Abyssinians would receive in payment for supplies, *Tryon* 2486, 2487.

Dundas, The Honourable Robert. (Analysis of his Evidence.)—Was Storekeeper General of the Navy till March 1869; 1240——First heard on the 22nd August 1867, of the intention to send transports from England to India, and on the 24th August submitted arrangements to the Admiralty for supplying the stations in Africa with coals before the arrival of the transports, 1241, 1242. 1244, 1245——Similar arrangements had been adopted on witness's recommendation, on the occasion of the war with Russia, 1242.

Approval by the Admiralty of the arrangements submitted by witness on the 24th August, it being evident that the greatest dispatch was necessary in ensuring supplies of coal at the Cape and at Ascension, though involving heavy expense, 1242——There was, in fact, no alternative but the employment of steamers, 1242. 1253——Arrangement for increasing the supply at the Verde Islands and the Mauritius, by means of the existing naval contracts, and at existing contract prices, but subject to compensation to the contractors for extra expense, 1242.

Employment of agents at a fixed rate of commission for carrying out the supply at stations where contracts did not previously exist, 1242——Arrangement, without stipulation as to price, by which the Peninsular and Oriental Company undertook to increase their coal supplies at Bombay and Aden, in order to meet the wants of the expedition, *ib.*——Belief as to the exceedingly judicious, just, and efficient character of the foregoing arrangement, *ib.*

Supply of 14,684 tons to the transports at Liverpool at a cost of 13,516 *l.*, 1243——Steps taken by the Admiralty for preventing excess of cost in shipping the coals at Liverpool, through there having been a strike of the labourers, 1246, 1247——Small supply ordinarily kept at the Cape de Verdes, the contractor having been called upon to raise the amount to 6,500 tons, 1248–1250——Witness repeats that the means adopted generally by the Admiralty for providing the transports with coals were the best and only means available with reference to the urgency of the occasion, 1251–1253.

Very small supply at the naval depôt at Simonstown, when the expedition was decided upon, 1253——Reliance placed upon a supply on merchants' accounts believed to be available at Table Bay, *ib.*—— Loss of the "Bosphorus" transport shortly after leaving Cape Town in search for coals, whereas a vessel with coals was at the time just entering the Bay, 1254, 1255——Total of 6,871 tons sent in steam colliers to the Cape, the aver-

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age cost having been 6 *l.* 9 *s.* 5 *d.* per ton, whilst the cost by sailing ships was 2 *l.* 7 *s.* per ton, 1256–1258.

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Further statement in explanation and justification of the arrangements with the Peninsular and Oriental Company, relative to the supply at Bombay and Aden, without a contract price, 1264–1273——Average of 71 *s.* 6 *d.* per ton as the rate paid to the Peninsular and Oriental Company for the Bombay supply, 1265.

[Second Examination.]—Evidence in further explanation of the course pursued in procuring supplies of coal at Aden and Bombay through the Peninsular and Oriental Company without contract as to price, and without competition, 1275. *et. seq.* 1373, 1374. 1414, 1415. 1438–1441——Supply by the company to the Admiralty of 48,889 tons at Bombay, and 51,056 tons at Aden, 1284–1286——Considerations as to the ordinary price of Welsh coals, and the rate of freight to Bombay and Aden, in comparison with the prices paid to the company for the Abyssinian Transport Supplies; dissent from the view that the latter prices were, under the circumstances, unduly high, 1290–1300. 1306–1311.

Loss entailed by the extra supply provided at the Cape of Good Hope beyond the wants of the Expedition; this was an unavoidable expense, 1301–1305. 1312–1314—— Statement in defence of the contract under which the supply at the Mauritius was largely increased at the price of 58 *s.* 6 *d.* per ton; system of public competition under which the contract was made, 1315–1331. 1353–1359. 1385–1393——Question as to contractors conspiring to extort high prices, 1327, 1328. 1368–1372——Regulation of the price at the Mauritius by public contract, 1332–1334——Grounds for the conclusion that the North country coals are inferior to the Welsh coals for navy purposes, 1335–1341. 1360.

Calculation made by the Transport Department of the amount required at each station, 1342, 1343——Absolute necessity of the prompt measures adopted for providing supplies at Bombay and Aden, 1344–1346——Regulation of the amount at the Cape with reference to the supply of the transports on their return voyage, 1351, 1352——Difficulty in the case of the Mauritius contract of any specification of the quantity required, 1362–1367.

Statement as to witness's communications with the Board of Admiralty, relative to the Expedition having been all in writing and being on record, 1375–1384——Further particulars in connection with the cost of the supply provided at Liverpool for the transports, Messrs. Gillespie and Scott having managed the whole service at a commission of 1 *s.* 6 *d.* per ton, 1394–1403. 1416–1445.

Employment of five steamers in conveying coals to the Cape of Good Hope and Ascension; doubt as to the quantity delivered by each vessel, 1405–1409——Exceptional instance of a vessel having been employed to take out coals without stipulation as to the quantity to be delivered; partial failure of the arrangements in this case, 1410–1413.

[Third Examination.]—Statement that the contract price for coals delivered at the Cape included the charges for freights and all the expenses, 2523——Information as to the terms of engagement of the "Union," employed in conveying coals to the Cape; failure of the arrangement as regards a return cargo, the result being a great increase in the average price of the coals sent to the Cape, 2524–2539.

Examination upon the question whether a tender was not received for the supply of coals in the Red Sea at 60 *s.* per ton; doubt as to any such price having been named, 2540–2563——Further evidence in justification of the course pursued in not calling for tenders for coals at Aden and Bombay in competition with the Peninsular and Oriental Company; several advantages to Government under their arrangement with the Company, 2540–2583.

Duration of Expedition. Statement that although Magdala was captured on the 13th April 1868, the Expedition was not really over by the end of May, nor for a considerable time afterwards, *Sir S. H. Northcote* 78–81. 91——Strong impression of Government that the mere sending of the Expedition to the coast would secure the release of the captives, and that the expenditure would not exceed 2,000,000 *l.*, *ib.* 84——Greater accuracy of witness's estimate if the Expedition had lasted up to the end of November, and if the stores included in the estimate of 600,000 *l.* monthly had been used, *General Jameson* 492–495. 544. 696.

Impression of witness in January 1868, that the Expedition would close in March or April, *Turner* 1102–1104——Impossibility of a prompt discontinuance of expenditure immediately the Expedition was over, *ib.* 1107——Difficulty of foreseeing the duration

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of the Expedition, or vessels might with advantage have been purchased; statement hereon as to the transports having been engaged for six months certain, *Admiral Mends* 1611. 1627. 1633, 1634——Varying opinions at Bombay towards the end of 1867, as to the duration and cost of the war, *Tryon* 2421–2424.

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Elephants. Expenditure necessary in order to provide at Bombay for the eighteen elephants lent from the Bengal Presidency, until the monsoon allowed of their re-transport to Calcutta, *Turner* 1107.

"*England*," *The.* Acceptance of the "England" or "Queen," though not in England when tendered; a survey was as usual first held, *Admiral Mends* 2508–2511. 2521, 2522.

ESTIMATES:

1. *As to the Estimates prepared in the India Office.*
2. *As to the Estimates prepared by Mr. Turner in India.*
3. *Obstacles to any Estimate by the Bombay Government.*

1. *As to the Estimates prepared in the India Office:*

Absence of anything in the shape of an estimate when it was resolved by Government that preparation should be made, *Sir S. H. Northcote* 67——Instructions given in the India Office to make an estimate of the probable expenditure, as soon as the force proposed by Sir Robert Napier was ascertained; experience of the officers employed upon such estimate, *ib.* 8–13——Preparation of estimates in the Admiralty, the War Office, and the India Office, the whole being under the superintendence of General Jameson, *ib.* 8, 9. 19–25.

Total estimate presented in December 1867 of 2,000,000 *l.*, as required for the purpose of landing the Expedition on the shores of the Red Sea, *Sir S. H. Northcote*, 26. 28——Intimation given to the House that a further sum, estimated at from 1,500,000 *l.* to 2,000,000 *l.*, would be required to carry on the Expedition to the end of April 1868; statement by the Chancellor of the Exchequer on 26th November 1867 adverted to hereon, *ib.* 26–31——Estimate by General Jameson in October 1867, of 370,000 *l.* as the probable monthly expenditure; subsequent increase of this estimate, *ib.* 28, 29.

Expectation by the Government in February 1868, that the estimate of 3,500,000 *l.* would be exceeded; absence however of any definite information upon which to found a revised or accurate estimate, *Sir S. H. Northcote* 36–44——Additional information by which the Chancellor of the Exchequer was guided when on 23rd April 1868 he submitted a revised and enlarged estimate to the House, by which the total expenditure to the end of May was calculated at 5,000,000 *l.*, *ib.* 46–48——Estimate on 23rd April of 600,000 *l.* per month as the cost of the Expedition subsequently to the end of 1867; increased force comprised in this item, *ib.* 46–52. 158–160.

Witness repeats that when the expedition was decided upon there was no data upon which to calculate the expense, *Sir S. H. Northcote* 82, 83. 136–139——It was, in fact, impracticable to give any accurate estimate of the cost, *ib.* 191–193.

Communication of Sir Stafford Northcote with witness towards the end of 1867 upon the subject of an estimate of the cost of the Abyssinian Expedition; anxiety evinced by the former in the matter, *General Jameson* 274–280——Previous experience of witness in estimating for expeditions in India, *ib.* 277. 289. 560.

Statement showing the paucity of the data at witness's disposal when he undertook to supply Sir Stafford Northcote with an approximate estimate; this applies equally to the estimate of October 1867 and the estimate of March 1868, *General Jameson* 280–293. 329–336. 359 *et seq.* 209–229——Information obtained through Mr. Seccombe from the War Office and Admiralty, and acted upon by witness in preparing the estimates of October 1867 and March 1868, *ib.* 284. 287–289. 318. 570.

Concurrence of General Pears and Mr. Seccombe with witness as to the approximate character of the estimate of 5,000,000 *l.* in March 1868, which estimate was never intended to be accepted as at all final, *General Jameson* 284. 292. 337, 338——Total of about 600,000 *l.* a month estimated by witness in March 1868, exclusive of the pay of troops, *ib.* 311–313——Explanation that the first estimate was still more approximate than the second, the information available in the first instance having been exceedingly meagre, *ib.* 318–336.

Increase of the first estimate from 2,000,000 *l.* to 3,500,000 *l.* as the probable cost to the end of April 1868; this was subsequently discarded as insufficient, the revised estimate of 600,000 *l.* per month from the end of 1867 having been substituted, *General Jameson* 319–328——Circumstance of the estimate of 5,000,000 *l.* having been higher than

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ESTIMATES—continued.

1. *As to the Estimates prepared in the India Office*—continued.

than Mr. Turner's estimate, and having been considered excessive by the Chancellor of the Exchequer (Mr. Hunt), *General Jameson* 337, 338. 581. 659——Conclusion as to the limited responsibility of witness in connection with the estimates, *ib.* 347–350. 354. 402. 507–509. 515. 535, 536. 637, 638——Return by witness of the documents received from General Pears and Mr. Seccombe, he not having kept any record of his calculations, *ib.* 347. 351–354. 673–678.

Particulars relative to the extent to which witness adopted in his first estimate the information or estimates supplied by other departments, his own calculations having had reference chiefly to transport animals and stores, *General Jameson* 400 *et seq.* 499–502 ——Due care taken by witness to obtain all the documents and information that were procurable and to make the best estimate in his power from the very defective data before him, *ib.* 402–405. 451–453. 560–564. 570.

Opinion that, taking into account the expenditure for transport, &c. after the 31st of May 1868, the estimate of 5,000,000 *l.* will not be very much out, *General Jameson* 469–476. 495. 541. 543–545. 609–617——Statement showing that in the case of the Affghan, Persian, and Chinese wars it was not found practicable at the India Office to supply estimates of the cost, *ib.* 509–514——Explanation that witness never anticipated the expedition would be over by the end of May, and that the estimate of 5,000,000 *l.* was exclusive of all expenditure at the rate of 600,000 *l.* monthly after that date, *ib.* 544, 545. 556. 608–616. 661. 692–699.

Steps taken by Sir Stafford Northcote to obtain additional information in the interval between the first and second estimates, *General Jameson* 564——Entirely exceptional and unprecedented character of the campaign and of the expedition further adverted to as showing the utter impracticability of any accurate estimate, *ib.* 589–593. 598. 603—— Limited extent to which in March 1868 the sterile and waterless character of the country was known to witness, *ib.* 679–691——Statement that Sir Stafford Northcote did not, any more than witness, ever believe that the whole cost would not exceed 5,000,000 *l.*, *ib.* 699.

Statement showing the very scanty information received from India at the time of the preparation of the estimate of March 1868, *Seccombe* 700–705——Explanation relative to the estimate formed by Mr. Turner, at Bombay, in February 1868, the amount being 2,622,250 *l.* for the period from November 1867 to April 1868 inclusive; much larger charge estimated by the India Office, *ib.* 701. 704. 709. 712–715.

Reference to the so-called estimate by the India Office in March 1868, as being rather an office memorandum for the information of the Secretary of State, *Seccombe* 701. 704–709. 723——Clear intimation given by the India Office that the estimate of 5,000,000 *l.* was merely approximate, and extended only to the end of May, *ib.* 704–719.

Inability of witness to have prepared an estimate of the cost of the expedition; far better experience of General Jameson in such matters, *General Pears*, 766, 767.

Communication from the India Office to the Treasury, dated 3 April 1868, together with estimate prepared by the India Office of expenditure for the expedition to the end of May 1868; total of 5,351,000 *l.*, *App.* 149–152——Calculation made in the India Office that the monthly charge of the expedition in 1868 would be 600,000 *l.*, *ib.* 152–154 ——Estimate of possible amount of liabilities incurred on account of the expedition from 13th September 1867 to 13th March 1868, exclusive of charges which will be incurred monthly from the date on which the expedition embarks, *ib.* 153, 154.

2. *As to the Estimates prepared by Mr. Turner in India:*

Statement that the witness received no special instructions to prepare any estimates, this having been a voluntary service on his part, *Turner* 888. 891, 892. 919–921—— Communication from witness to the Treasury, dated Bombay, 12th February 1868, estimating at 2,622,250 *l.* the total of the accounts at Bombay for the six months ending April 1868; discrepancy of only 150,000 *l.* between this estimate and the actual accounts sent home, *ib.* 889–895——Explanation that the estimate of 2,622,250 *l.* did not refer to the actual liabilities, *ib.* 890, 891. 898, 899. 910.

Total of 5,350,531 *l.* as the amount of the first estimate of the expenditure prepared by witness at Bombay on the 14th July 1868, *Turner* 895–897——Amended and enlarged estimate prepared by witness on 19th December 1868, showing a net total of 7,039,850 *l.*, *ib.* 940–942——Large amount of outstanding charges (2,077,300 *l.*) included in the estimate of December 1868, *ib.* 940. 943.

Very deficient information upon which witness compiled his estimate of 5th December; there was in fact great difficulty in obtaining complete accounts or data for an estimate, *Turner* 1058–1066. 1068–1075——Estimate, on 5th December 1868, of a net expenditure of 5,750,000 *l.*, *ib.* 1059–1063——Revised estimate prepared by witness at Poonah on 19th December 1868, the net total being 7,039,850 *l.*; explanation of the difference of 1,290,000 *l.* between this estimate and that prepared at Bombay a fortnight previously, *ib.* 1061–1066. 1068–1075. 1218, 1219.

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ESTIMATES—continued.

2. *As to the Estimates prepared by Mr. Turner in India*—continued.

Exceptional character of the expedition, so that it was almost impossible to form a satisfactory estimate, *Turner* 1099, 1100. 1108–1114. 1119. 1140——Relative facilities of witness at Bombay, and of General Jameson in London, for the formation of an estimate of the probable cost, *ib.* 1119. 1127–1138——Conjecture rather than estimate, on the part of witness, in January 1868, in regard to the cost amounting to five millions; in July, however, he had data for an estimate, *ib.* 1140–1154.

Letter from Mr. Turner to the Secretary to the Treasury, dated Bombay, 12th February 1868, with reference to the probable rate of expenditure in India; estimate of 2,622,250 *l.* for the six months from November 1867 to April 1868, *App.* 145–147——Estimated totals of the monthly accounts of charges brought to account in India for six months up to end of April 1868, including the actual amounts of the accounts for November and December 1867, *ib.* 146.

Statement in letter from Mr. Turner, dated Bombay, 9th April 1869, as to the great difficulty experienced in framing estimates of the expenditure, *App.* 164.

Statement in detail, dated Bombay, 18th December 1868, of the actual and estimated outstanding charges of the expedition (east of Suez); aggregate of 2,077,300 *l.*, *App.* 178–181.

3. *Obstacles to any Estimate by the Bombay Government:*

Telegram from Sir Seymour Fitzgerald, dated 1st April 1868, submitting a rough estimate of the expenditure, and stating the difficulty in getting accounts from Calcutta, *App.* 205.

Statement in minute by Sir Seymour Fitzgerald, dated 9th April 1869, as to the impossibility of the Bombay Government forming any reliable estimate when the expedition was decided upon, and the preparations were being carried out, *App.* 139, 140.

See also *Accounts. Affghan War. Camp Followers. Chinese Wars. Coals. Commissariat. Crimean War. Duration of Expedition. Expenditure. Field Expenditure. Forage. Land Transport. Number of Troops. Parliament. Persian War. Stores. Supplementary Estimate. Transports. Vote of Credit.*

"*Euphrates*," *The.* Nature of the services rendered by witness's flag-ship in Annesley Bay, the "Euphrates," *Tryon* 2338–2343.

Excess of Estimates (*generally*). Precedents of former wars adverted to as showing that the estimates have been constantly exceeded, *Sir S. H. Northcote* 176–179. 194—— Constant excess of estimate in the case of previous wars; large supplementary vote necessary for the Crimean war, *General Jameson* 597, 598. 654–659.

See also *Estimates. Expenditure.*

Exchange, Rate of. Statement as regards the money sent to and returned from Abyssinia, that no allowance was made for any difference in the rate of exchange, *Turner* 977–984.

EXPENDITURE:

1. *Generally as to the Excess of Cost over the Estimates, and the Causes thereof.*
2. *Excess anticipated by Mr. Turner, shortly after his arrival in India, though he made no official communication on the subject.*
3. *As to the Preparation of a Comparative Account of the Amounts estimated and expended.*
4. *Explanatory Statement on the part of the Bombay Government.*
5. *Documentary Evidence and Accounts submitted to the Committee.*

1. *Generally as to the Excess of Cost over the Estimates, and the Causes thereof:*

Consideration of certain statements made in the House by the Chancellor of the Exchequer in February and March 1868, upon the question of excess of estimate; accuracy of such statements, *Sir S. H. Northcote* 40, 41. 45—— Great excess of the estimate, the amount already voted being 8,600,000 *l.*, *ib.* 53, 54. 163——Immense discrepancy between the estimate and the cost, witness not being in a position to give any detailed explanation on the subject, *ib.* 91. 97.

Inability of witness to state in what respects, if any, there has been an excess of expenditure beyond his original estimate of 2,000,000 *l.* up to the end of 1867; belief, however, that the accounts will show a considerable excess up to that date, *General Jameson* 303–311——Memorandum prepared by witness, dated 31st May 1869, containing a history of the expedition, showing the varied and extensive character of the preparations, and submitting sundry explanations relative to the excess of the estimates, *ib.* 356–359.

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EXPENDITURE—continued.

1. *Generally as to the Excess of Cost over the Estimates, &c.*—continued.

Expectation that the claim on the part of India will be about 7,200,000 *l.*, including 200,000 *l.* in respect of stores supplied through the Indian Store Department in England, *Seccombe* 747–752.

Net expenditure of 6,618,199 *l.* according to an account prepared by witness on the 9th April 1869, this being inclusive of all military charges to the end of February 1869, and of marine and civil charges to the end of March, *Turner* 856–860——Preparation also by witness on 9th April last, of an estimate of the charges yet to accrue, showing a net sum of 211,774 *l.*, and bringing the net total up 6,829,973 *l.*, *ib.* 861–864. 1193–1196——Explanation as to the want of data for some of the items in the foregoing estimate or account, *ib.* 864–872.

Principal causes of the large excess of witness's estimate of July 1868, the delay in the discharge of transports involving an important excess, *Turner* 922–929. 1012–1035——Statement that witness did not become cognisant of any extravagant expenditure; question hereon as to the transport rates, the cost of mules, price of coals, &c., *ib.* 1125, 1126. 1169–1179——Considerable amount of charges still outstanding, witness believing however that they are all included in his last estimate, *ib.* 1205–1210.

Probability of a much larger expense if the means taken to secure the success of the expedition had been less than they were, *Tryon* 2503.

2. *Excess anticipated by Mr. Turner, shortly after his arrival in India, though he made no official communication on the subject:*

Statement that when witness had been six weeks at Bombay, that is, early in January 1868, he felt convinced that the cost of the expedition would exceed 5,000,000 *l.* (east of Suez); reason assigned for not conveying this opinion to the Home Government, *Turner* 902–921.

Explanation with further reference to witness's statement, that when he had been six weeks in India he arrived at the conclusion that the expenditure (east of Suez) would be at least 5,000,000 *l.*; explanation hereon as to his having no record of this opinion, and as to his not having conveyed it to the Treasury, *Turner* 1036–1048. 1054–1057. 1096–1101. 1115–1118. 1140–1154. 1181–1188——General opinion among officials in Bombay, early in 1868, that the cost would not be less than 5,000,000 *l.*, *ib.* 1037–1039. 1054–1056.

Conclusion that Government must have proceeded with the expedition, even though made aware early in 1868, that the cost would be excessive, *Turner* 1096–1101——Frequent official communication of witness with the Governor of Bombay; statement hereon as to his not having brought before the latter any estimate previous to that of July 1868, *ib.* 1211–1217.

3. *As to the Preparation of a Comparative Account of the Amounts estimated and expended:*

Reference to Mr. Turner as better qualified than witness to analyse the expenditure accounts from India in comparison with the estimate of March 1868, *General Jameson* 360. 477. 532–540——Difficulty of a comparison in detail between the actual cost and the estimated cost, *ib.* 537–540——Suggestion that an analysis of the accounts in comparison with the expenditure can best be prepared by Mr. Turner, *Seccombe* 755.

Readiness expressed by witness to prepare an account showing, under different heads, the expenditure as compared with the amount estimated by General Jameson in March 1868, *Turner* 972–976. 1238, 1239.

4. *Explantory Statement on the part of the Bombay Government:*

Minute by Sir Seymour Fitzgerald, dated 9th April 1869, in explanation of sundry causes of the enhanced cost of the expedition, and denying that the Government of Bombay had been reckless or extravagant in their expenditure, *App.* 139–141.

5. *Documentary Evidence and Accounts submitted to the Committee:*

Abstract, dated Bombay, 6th May 1869, showing the date, period, and net amount of the Abyssinian expeditionary accounts (accompanied by schedules and vouchers), forwarded by the Government of Bombay to the Secretary of State, *App.* 141.

Letter from Mr. Turner to the Treasury, dated Bombay, 9th April 1869, estimating at 6,829,873 *l.* the total net charges consolidated at Bombay, *App.* 164——Memorandum by Mr. Turner, dated Bombay, 8th April 1869, of the actual and estimated outstanding receipts and charges not yet included in the accounts consolidated at Bombay, *ib.* 165–168.

Statement by Mr. Turner explanatory of the estimate of 5,750,000 *l.* first formed by him, as compared with a subsequent estimate of 7,039,850 *l.*; several causes of the deficiency of the former, *App.* 169.

Memorandum by Mr. Turner, dated Bombay, 10th July 1868, of charges outstanding, including, as regards Presidencies other than Bombay, only the amount already reported therefrom,

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EXPENDITURE—continued.

5. *Documentary Evidence and Accounts submitted to the Committee*—continued.

therefrom, except under head of "Hire of Transports" at Calcutta; total of 2,885,500 *l.* as the amount of such charges, *App.* 174, 175——Total of 2,465,531 *l.* as the amount of charges sent to England to the end of April 1868, *ib.* 175.

Letter from Mr. Turner to the Secretary of the Treasury, dated Bombay, 19th December 1868, with reference to estimate of 7,039,850 *l.* as the total expenditure in India, *App.* 175——Statement, dated 10th December 1868, of the actual and estimated charges brought to account in India, including certain outstanding charges; aggregate of 7,039,850 *l.*, *ib.* 176, 177.

Statement by Mr. Turner, dated Bombay, 9th April 1869, of the total receipt and expenditure in India as exhibited in the several detailed accounts prepared at Bombay and transmitted to England; also of the actual and estimated outstanding charges to complete, *App.* 182–185.

Remarks by Mr. Turner relative to the unavoidable expense incurred under several heads upon the return of the expedition to India, *App.* 186.

List of stations and ports at which expenditure took place in connection with the expedition, the totals of which have been included in the accounts prepared at Bombay, *App.* 186.

Letter from the Controller of Military Accounts, dated Poonah, 23rd March 1868, together with memorandum showing the actual and estimated expenditure on account of the expedition, up to the end of the current month, *App.* 202, 203——Statement, dated Poonah, 3rd April 1868, showing the estimated amount of charges debitable to the British Government in connection with the expedition, up to 31st March 1868, *ib.* 204.

Memorandum by Mr. Turner, dated Treasury, 15th July 1869, comparing, under general headings, the estimate of 5,350,531 *l.*, prepared at Bombay, on the 14th July 1868, with the actual and estimated charges to complete, as subsequently brought to account, ascertained, or estimated for, *App.* 194, 195.

See also *Accounts.* *Batta.* *Bombay Government.* *Coals.* *Crimean War.* *Duration of Expedition.* *Estimates.* *Field Expenditure.* *Land Transport.* *Mismanagement.* *Mules.* *Napier, Lord.* *Parliament.* *Prolongation of Charges.* *Stores.* *Transports.* *Water Supply.*

F.

Field Expenditure. Very large field expenditure in Abyssinia beyond witness's estimate in July 1868, such expenditure having come to charge in India long after the estimate was prepared, *Turner* 925. 930–940. 1032–1035.

Fittings of Transports. Varying practice as to the fittings being provided by the owners, or by Government; statement hereon as to the date of commencement of the pay of vessels with reference to the completion of the fittings, *Tryon* 2161–2164.

Fitzgerald, the Right Hon. Sir W. R. S. V. Circumstance of Sir Seymour Fitzgerald having frequently expressed the opinion that the expenditure would be very great, and much in excess of the estimate; reference hereon to his private letters to witness, *Sir S. H. Northcote* 74. 92. 96. 141–154. 254——Full co-operation on the part of Sir Seymour Fitzgerald, though a larger force was decided upon than he thought necessary, *ib.* 256, 257.

The Governor of Bombay evinced very great anxiety to keep down the expenditure, and assured witness that he scrutinised every contract, *Turner* 1067.

Minute by Sir Seymour Fitzgerald, dated 9th April 1869, in answer to the charge that the expenditure incurred by the Government of Bombay was reckless and extravagant, and that there has been an undue delay in rendering a proper account, *App.* 139-141.

Extracts from Sir Seymour Fitzgerald's private letters to Sir Stafford Northcote, from December 1867 to July 1868, showing the apprehensions entertained by the former in reference to enhanced expenditure, *App.* 155, 156.

Telegram from Sir Seymour Fitzgerald to the Secretary of State, dated 1st April 1868, submitting a rough estimate of the expenditure, and stating the difficulty in getting accounts from Calcutta, *App.* 205.

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Forage. Absence of grass or forage at Zoulla, whereas a considerable supply was expected, *Tryon* 1958, 1959.

Freight of Troops. Account prepared by witness under the heading of "Freight of Troops;" that is, for ships employed coastwise from Bombay to Calcutta or Madras, *Turner* 849–851.

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Fresh Levies (*India*). Doubt whether any expense has been incurred, as first estimated for, in respect of troops substituted for those sent from India, *Sir S. H. Northcote* 89, 90—— Charge pending in respect of fresh levies in India to replace the troops sent to Abyssinia, *Turner* 1139. 1205, 1206.

G.

"*Golden Fleece,*" *The.* Exceptionably good passage made by the "Golden Fleece" from Annesley Bay to England, *Tryon* 2044–2048.——*See* also *Hospital Ships.*.

"*Great Victoria,*" *The.* Charter of the "Great Victoria" for six months certain; obstacle to dispensing with this vessel at Annesley Bay, *Tryon* 2310–2319.

H.

Hay. Suggestion made by witness to the Bombay Government, that the hay ships should be towed outside the harbour, and the hay thrown overboard, *Turner* 967——It cost more to land the hay than it sold for afterwards, *ib.*

Prompt dispatch of hay ships from Annesley Bay when it was known the army was safe and the war was over, *Tryon* 1962—— Statement that no hay was re-embarked, except for sea stock, *ib.* 1963.

Hay, Sir John. Constant communication between Sir John Hay (as Lord of the Admiralty) and witness, the former having uniformly concurred with him as to the decisions arrived at, *Admiral Mends* 1726–1730.

Health of Troops, &c. See *Annesley Bay.* *Hospital Ships.*

"*Hector,*" *The.* Examination relative to the rejection of the "Hector" and certain other vessels, though tendered at much lower rates than many of the accepted vessels, *Admiral Mends* 1658 *et seq.*

Hospital Ships:

Engagement of the three hospital ships at 30 *s.* per ton per month if discharged at home, with one month's additional hire if discharged abroad, *Admiral Mends* 1472. 1475 —— Statement to the effect that the hire of the "Golden Fleece," "Mauritius," and "Queen of the South," amounted to 136,123 *l.*, though probably they were sold for 50,000 *l.* shortly after their arrival home, *ib.* 1703–1719——Opportunity of the Government to have purchased the three hospital ships for 80,000 *l.*; witness had no instructions to purchase, *ib.* 1720–1725.

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Efficiency of the hospital ships, *Admiral Mends* 1837; *Tryon* 2126–2131——Grounds for objecting to the employment of sailing vessels as hospital ships; fitness of the "Star of India" adverted to hereon, *Tryon* 2346–2354——Advantage in some respects of wooden vessels as hospital ships, *ib.* 2377, 2378——Iron vessels are more cleanly, *ib.* 2378.

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I.

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Indian Troop Ships. Grounds for the objection to employ in the service of the expedition the three transports engaged in the interchange of troops between England and India, *Admiral Mends* 1494–1500——Saving effected by the Indian transports as compared with the former system of transport by the Cape route, *ib.* 1920, 1921.

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Indian Troops. Determination arrived at, before preparations were made, that the expedition should be from India, it being most convenient to use Indian troops, *Sir S. H. Northcote* 4, 5——Explanation as to some of the expeditionary force having been drawn from Bengal and Madras, in opposition to the views of Sir Robert Napier; question of increase of cost thereby, *ib.* 115–124. 161, 162. 195. 203, 204. 228.

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J.

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L.

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M.

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1. *As to the Purchase of Mules and the Prices paid.*
2. *Transport Arrangements.*
3. *As to the Mortality among the Mules, and its Cause.*

1. *As to the Purchase of Mules and the Prices paid:*

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3. *As to the Mortality among the Mules and its Cause*—continued.

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Impossibility of foreseeing the excessive loss incurred in respect of stores and animals, *General Jameson* 361–364—— Several amounts included in the second India Office estimate, and represented by an expenditure of 563,000 *l.* for stores and supplies, *ib.* 463–468——Circumstance of a large quantity of stores having been thrown overboard rather than keep the transports in demurrage: this might better have been done in Annesley Bay than at Bombay, *ib.* 476. 553–559——Anticipation expressed by witness that there would be a large quantity of unused stores, the re-transport of which would cost more than they were worth, *ib.* 402. 495. 618. 639, 640.

Total of 631,022 *l.* estimated by witness as the receipt for stores sold, including outstanding credits estimated at 141,536 *l.*, *Turner* 1075——Inspection of stores previous to their abandonment at Zoolah; return of numerous stores to Bombay, in order to avoid their

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their sacrifice at the other side, *Turner* 1087-1090——Conclusion as to the necessity of an abundant provision of stores in view of the contingency of a prolonged stay of the troops in Abyssinia; large portion of the excess of cost thus accounted for, *ib.* 1120-1124. 1155-1168.

Necessity of landing and forwarding stores to the front long after the return march had commenced, *Tryon* 1962. 2074——Re-embarkation of a considerable amount of stores at Annesley Bay, a survey having first been held, *ib.* 1972-1975——Delay in forming depôts of stores on shore, owing to the want of land transport; everything that was feasible was done to erect storehouses, *ib.* 1999-2007——Difficulty in foreseeing the duration of the expedition, so that any smaller provision of stores was undesirable, *ib.* 2143-2145——Great sacrifice in the sale of returned stores at Bombay, *ib.* 2146.

Opinion that if all the stores and animals had been abandoned in Abyssinia, and the transports discharged forthwith, there would, on the whole, have been a saving; this opinion was officially expressed by witness at the time, *Tryon* 2330-2334. 2402-2407——Political reasons which might have led to the re-embarkation of stores and mules at a loss, *ib.* 2402, 2403——Decision by a board of competent officers as to the stores to be removed or left behind; orders given by Sir Robert Napier on the subject, *ib.* 2403-2412. 2425——Increased transport necessary by reason of the deterioration and waste of stores, on account of the great heat, *ib.* 2432-2434.

Statement in minute by Sir Seymour Fitzgerald, dated 9th April 1869, as to the steps taken in Bombay to procure stores at the lowest possible rates, *App.* 140——Statement by Sir Seymour Fitzgerald relative to the immense and unavoidable loss incurred in respect of returned stores, *ib.* 140, 141.

Extract from letter of Mr. C. Turner to the Secretary of the Treasury, dated Bombay, 14th July 1868, with reference to the great loss incurred in respect of returned stores, &c., *App.* 173.

Statements, dated Bombay, 18th December 1868, and 9th April 1869, showing the expenditure in respect of stores, *App.* 176-182——Statement, dated Bombay, 9th April 1869, showing the amount of receipt or credit in respect of stores, *ib.* 183.

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Supplementary Estimate. Examination to the effect, that though witness had some reason to fear, before the end of the Session of 1868, that there would be a considerable excess of the estimate of 5,000,000 *l.*, he had nothing definite to go upon, nor any data upon which to prepare and submit a supplementary estimate to the House, *Sir S. H. Northcote* 74-76. 92-97. 140-154.

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1. *Generally as to the Course pursued by the Admiralty in providing and dispatching Transports for the Service of the Expedition.*
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TRANSPORTS—continued.

1. *Generally as to the Course pursued by the Admiralty in providing and dispatching Transports for the Service of the Expedition:*

Arrangement by the Admiralty for taking up transports in England and sending them out to Bombay very little transports have been available there, *Sir S. H. Northcote* 226, 227——Explanation that requisitions for tonnage were not received from India; belief that an estimate on the subject came from India at a very early period of the expedition, *General Pears* 296, 297.

Order received by witness from the Board of Admiralty, on the 22nd of August 1867, relative to the provision of transports for the Abyssinian Expedition; previous consultation on the subject at the India Office on the 21st August, *Admiral Mends* 1448, 1449——Instructions under which witness acts in the provision of transports, and by which he was guided on the present occasion, *ib.* 1448——Advertisement issued on the 22nd August, calling for tenders; limitation of the amount required in the first instance to 20,000 tons, *ib.* 1450-1455——Demand on the 4th September for a further vessel of about 2,000 tons, *ib.* 1454.

Tenders received on the 27th August from seventy-six vessels, only thirty-nine of which tenders were according to the specification; particulars hereon as to several of the ships rejected and accepted, *Admiral Mends* 1456-1466——Total of 29,360 tons taken up on the 29th August, including three hospital ships, *ib.* 1467—— Particulars relative to the fitting of the transports before leaving England, and the arrangements as to provisions and stores, *ib.* 1468-1470——Explanation as to witness having concluded that it would not be safe to rely upon the transports procurable in India, without sending steam transports from this country, *ib.* 1491-1493.

Evidence explanatory of the rejection of certain vessels, though tendered at much lower rates than many of the accepted vessels, *Admiral Mends* 1658 *et seq.*——Departure of all the vessels from Liverpool, except the three hospital ships, which sailed from the the Thames, *ib.* 1743-1747——Greater delay in the sailing of some vessels than of others, owing to the greater quantity of stores taken in, *ib.* 1759, 1760——Engagement of all the ships by the gross tonnage, this being the usual practice, *ib.* 1812-1815.

Conclusion of witness in advertising for transports that none of the fleet would be available for the purpose, *Admiral Mends* 1816——Conclusion that it would have been very unwise to take up ships concerning the time of preparation of which there was any doubt, *ib.*, 1852-1855——In order to hurry the steamers out, prizes were given to the captains to arrive there at a stated time, completely ready for service, *ib.* 1868, 1869——Desire on the part of the Store Department of the India Office to detain the transports till they were loaded with stores, *ib.* 1870, 1871.

2. *System of Public Tender for Freights:*

Approval of the present Admiralty system of public competition, and of accepting the ships according to tender subject to survey, rather than of employing a commercial agent in the matter, *Admiral Mends* 1819-1821. 1824-1830——Low rates obtained on the present occasion under the system of public tender, *ib.* 1828, 1829.

Statement that witness made no inquiry as to the rates of freight in the open market, the system of public tender being looked upon as sufficient to produce low rates, *Admiral Mends* 1875-1879——Conclusion that the rates would have been higher if private negotiation had been relied upon, *ib.* 1893, 1894——Further approval of public tender as a general rule, though there are times when the assistance of a broker would be very useful, *ib.* 1905-1914.

3. *Varying Rates Paid, there being increased Rates for Discharge Abroad; financial Result of this Arrangement.*

Engagement of ten vessels at rates varying from 24*s.* 10*d.* to 37*s.* 6*d.* per ton per month, there being additional rates if discharged abroad, *Admiral Mends* 1473, 1474. 1476, 1477——Comparative rates paid for the Abyssinian transports, and for the transports in the China war, and in the "Trent" affair, *ib.* 1478, 1479——Enhanced rates demanded by the shipowners in the belief that the vessels would only be employed for a very short time, *ib.* 1624-1627.

Detailed statement in explanation and defence of the course pursued in engaging transports at separate rates for discharge at home or abroad, *Admiral Mends* 1640-1657——Admission that it would have been an advantage if in the first instance there had been a fixed sum for discharge abroad, *ib.* 1646-1652——Probability of higher rates if the Admiralty had reserved the right of discharge at home or abroad, without separate rates, *ib.* 1654-1657——Arrangement made with reference to the discharge of the transports at Bombay at enhanced rates, instead of at home, *ib.* 1513.

Payment in consequence of discharge in India of about one-third of the total amount paid to the transports so discharged, *Admiral Mends* 1581, 1582——Urgency of the service adverted to in connection with the extra rates paid for discharge abroad; steps taken after a time to substitute a lump sum for such discharge, *ib.* 1583, 1584——Saving of 38,425 *l.* by discharging certain ships at Bombay instead of at home, *ib.* 1896——Excess

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3. *Varying Rates paid, there being increased Rates, &c*—continued.

——Excess of payment if a lump sum had been substituted for the rate of discharge abroad; non-adoption of the former plan save in the case of the "Kangaroo," *Admiral Mends* 1897–1901.

Statement showing the estimated amounts to be paid to the owners of certain transports discharged at Bombay, in excess of the amounts which would have been payable for their hire if they had been discharged in England; also showing the estimated sums which it would have cost to send them to England for discharge, and the sums which would have been payable on account of their discharge abroad, if the amended terms proposed by the owners had been accepted, *App.* 196.

Statement of the relative cost of discharging certain steam transports at Bombay, and of sending them to England for discharge, *App.* 197.

Further statements showing the comparative cost of bringing the ships home, and of discharging them abroad, *App.* 200.

Estimate of the probable amount of saving realised by the discharge of certain transports at Bombay instead of sending them to England, *App.* 207——Estimate of the probable cost of coals for the return voyage from Bombay of certain transports, based on the actual consumption for the outward voyage, *ib.*

4. *Question of Purchase of Transports for the Expedition:*

Examination upon the question whether the "Peruvian," "City of Manchester," and other transports might not in the first instance have been purchased for less than their hire; reasons for the non-adoption of this course, *Admiral Mends* 1585–1632——Serious delay if Government had decided to purchase transports; belief moreover that unduly high prices would have been demanded, and that there would have been a great sacrifice subsequently, *ib.* 1856–1864. 1890–1892.

Copy of letters from Mr. B. C. Stephenson to the Admiralty, dated 21st October 1867, offering to sell the "Indiana," "Calentra," "Hydaspes," and "Lady Jocelyn," for the sum of 80,000 *l.*, *App.* 206——Refusal of the Admiralty to purchase these vessels, *ib.*

5. *Suggestions made by the Transport Department on the Subject of Accounts and the Adjustment of Claims:*

Arrangements proposed by the Transport Department of the Admiralty in October 1867, for insuring correctness in the departmental adjustment of claims arising out of the expedition, *App.* 198, 199.

6. *Information relative to the taking up of Transports at Bombay:*

Necessity of taking up certain transports at Bombay, even though the rates may appear to have been exorbitant, *Turner* 1125, 1126. 1169–1171——Statement that witness had nothing to do with the engagement of the transports taken up in India, *Admiral Mends* 1549–1551.

Information relative to the different authorities at Bombay for engaging transports and carrying out the transport arrangements, the system of public tender having been adopted, *Tryon* 1983–1994——Vast amount of tonnage taken up at Bombay, the rates having been as reasonable as could be expected, *ib.* 2092–2098——Exceptional instances of indifferent vessels having been chartered at Bombay, *ib.* 2099–2101——Inspection by witness of the charter parties of vessels taken up at Bombay; modification made therein upon his suggestion, *ib.* 2157–2160——Considerable advance of freight at Bombay at the time of the expedition, *ib.* 2500, 2501.

Statement in minute by Sir Seymour Fitzgerald, dated 9th April 1869, in defence of the rates at which transports were taken up at Bombay, *App.* 140.

Total of 289 vessels taken up at Bombay, Calcutta, &c., exclusive of iron barges and small craft, and of transports chartered in England, *App.* 163.

7. *Detailed List of Ships engaged:*

List of ships chartered for and employed in connection with the expedition, showing in each case the tonnage, rate per ton, date of employment, and of discharge, &c., *App.* 157–163. 171–173.

8. *Conditions of Engagement by the Admiralty:*

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9. *Appointment of Captain Tryon in Charge of the Transports Abroad:*

Importance of the appointment, in the person of Captain Tryon, of an officer directly in charge of the transports abroad; particulars hereon relative to the instructions given to Captain Tryon, *Admiral Mends* 1501–1508.

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9. *Appointment of Captain Tryon in Charge of the Transports Abroad*—continued.

Appointment of witness in charge of the transports in the Indian Seas on 31st August 1867; he left England for Bombay on 17th September, *Tryon* 1922–1927 ——Passing inquiry made by witness at Suez and Aden as to the probable requirements of the transport service at those ports, *ib.* 1928 ——Outline of the duties undertaken by witness on arrival at Bombay, economy and efficiency being the objects in view, *ib.* 1929–1931.

Departure of witness from Bombay for Aden and Annesley Bay on the 15th December; all the transports had in the meantime arrived and were in an efficient state, *Tryon* 1932–1935 ——General charge undertaken by witness in connection with the transports on his arrival at Aden, *ib.* 1936 ——Return of witness from the Red Sea to Bombay on the 6th July 1868, *ib.* 1968.

10. *Conclusions as to the Efficiency of the Arrangements generally:*

Opinion as to the efficiency of the transport provision; doubt whether there was one ship too many, *General Jameson*, 587, 588. 633–635.

Inspection by witness of all the transports on their first arrival at Bombay, he having found them perfectly efficient, *Tryon* 2084–2090 ——Completion in December 1867 of all the requisite arrangements at Bombay for moving the expedition to Annesley Bay, each regiment being accompanied by its followers, and the brigade being despatched separately without any convoys being formed, *ib.* 2102–2117 ——Conclusion as to the efficiency and economy of the arrangements in Annesley Bay, *ib.* 2138–2142.

Memorandum, prepared by witness, dated Annesley Bay, 12th June 1868, in explanation and justification generally of the transport arrangements for the Abyssinian Expedition, *Tryon* 2151–2156.

Statement in amplification and explanation of various portions of witness's evidence, and in further defence generally of the transport arrangements, *Tryon* 2503 ——Probable necessity of an abandonment or postponement of the expedition if the means taken to secure its success had been less, *ib.*

11. *Arrangements for Provisioning the Troops on Board, and for Supplying the Officers' Table:*

Doubt as to the precise arrangement for superintending the supply of provisions to the troops on board the transports, *Tryon* 2236–2238 ——Statement in explanation of an increase at witness's suggestion in the allowance to the captains of the transports for finding the officers' table, *ib.* 2239–2259.

12. *Expediency of all Transports, whether Chartered at Home or Abroad, being under the same Control:*

Importance, generally, of all transports, whether chartered at home or abroad, being under the entire control of one officer, and under the same rules and regulations, *Tryon* 2503.

13. *Detailed Statement furnished by Captain Tryon, showing the Total Tonnage employed, and the Operations generally of the Transport Department:*

Statistical return furnished by Captain Tryon, dated September 1862, illustrating the work performed by the Naval Transport Department, the total tonnage employed having been 312,228, *App.* 142–144.

14. *Estimates and Expenditure: large Amounts involved:*

Data, upon which witness stated, on 23rd April 1868, that the cost of transport would not exceed 400,000 *l.* per month; impression as to the accuracy of this estimate, *Sir S. H. Northcote* 207–217.

Information obtained at the India Office from the Admiralty and from the "Times of India," as the basis of the estimated cost of transport in March 1868; examination hereon as to the transport service having been placed at only 150,000 *l.* a month in the first estimate, and at 400,000 *l.* a month in the second estimate, *General Jameson* 294, 295. 298–302. 314–318. 331–333. 339–347. 386–392. 516, 517. 542 ——Exceeding astonishment of witness when the calculations showed a probable monthly expenditure of 400,000 *l.* for transport; still he is not prepared to say that the rates were high or the tonnage excessive, *ib.* 339–347.

Great excess of cost beyond the India Office estimate of 5,000,000 *l.* adverted to as largely owing to the charges for sea transport beyond the 31st of May, *General Jameson* 455, 456. 469–476 ——Further reference to the estimate of 400,000 *l.* monthly as the cost of transport; very little discrepancy apparently between this estimate and the expenditure, *ib.* 470–476. 625–636 ——Fragmentary character of the information available in respect of transports, *Seccombe* 700–705.

Total of 2,701,097 *l.* paid for the hire of transports, there having been also some contingent

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14. *Estimates and Expenditure; large Amounts involved*—continued.

ting nt payments for pilotage, port dues, &c., *Turner* 1025-1027——Further payments still to be made in respect of transports, *ib.* 1027, 1028.

Total Admiralty estimate of 299,967 *l.* for the hire of transports for six months including the hospital ships and mule ships, as well as the ten transports for general service, *Admiral Mends* 1490——Several other items bringing up the aggregate of witness's estimate to 340,000 *l.* for transports, *ib.*——Rough estimate made by witness that it would require about 125,000 tons to float the Expedition from India, *ib.* 1493——Total of seventy-five steamers and 205 sailing ships, representing an aggregate number of 301,386 tons, placed in charge of Captain Tryon, *ib.* 1509-1512. 1532——Aggregate of 606,135 *l.* paid for the hire of transports engaged in England, and of 2,766,017 *l.* for the hire of transports engaged in India; this is up to the latest date, *ib.* 1520, 1521. 1561-1564.

Communication from the Admiralty, dated 17th September 1867, estimating at 340,000 *l.* the expenditure in the Naval Department for transport, *App.* 145——Estimate of liabilities incurred by the Transport Department of the Admiralty on account of the Expedition, prepared in September 1867; total of 340,000 *l.*, *ib.* 196.

Estimate of the expenditure in the Marine Department at Bombay on account of the Expedition during the first six months of 1868; total of 89,57,968 rupees, *App.* 148.

Statement by Mr. Turner, dated Bombay 18th December 1868, showing the total expenditure in India in respect of hire of transports, &c., including outstanding charges, *App.* 176-181.

Further statement, dated Bombay 9th April 1869, showing the expenditure under the head of transports, *App.* 184——Statement, dated 9th April 1869, showing the amount of receipt or credit in respect of hire of steamers, and of fittings and stores from transports, *ib.*

15. *Great Delay in discharging Transports at Bombay, &c., and great Excess on this Score:*

Exceedingly heavy expenditure in returning the force through the delay in discharging the transports, this being a main cause of the excess of estimate, *Sir S. H. Northcote* 65-70——Further statement as to the excessive expenditure in respect of transports there having been great difficulty and delay in unloading stores at Bombay, and very heavy demurrage in consequence, *ib.* 163-174. 210-217——Difficulty through question having arisen as to the time up to which the transports were engaged, *ib.* 243——Saving shortly after the end of May of portion of the estimated monthly expenditure of 600,000 *l.*; large continuous expense, however, for transports, *General Jameson* 661-672.

Continuance of many of the Bombay transports in the pay of Government up to an advanced date in August 1868, the last Bombay transport having been discharged on the 4th September, *Turner* 880. 886, 887. 901——Apprehension expressed by witness in July 1868, that there would be an excess of cost beyond his estimate, on account of the unexpected delay in discharging the transports, *ib.* 899-902.

Further evidence on the subject of the delay in the discharge of the transports; every possible dispatch was used, *Turner* 959-967. 985-987. 1082-1086. 1094, 1095——Witness estimated the transport charges for May 1868 at 280,000 *l.*, for June at 240,000 *l.* and for July and following months at 250,000 *l.*, *ib.* 1020, 1021——There were at one time 150 chartered steamers and sailing ships in Bombay Harbour, and the weather was then very bad, *ib.* 1084——Occurrence of one or two instances of undue delay before transports reached the port of discharge, *ib.* 1091, 1092——Delay in the discharge of many of the Calcutta transports owing to their having brought troops and stores in the first instance to Bombay or Kurrachee from Annesley Bay, *ib.* 1107.

Full employment for the transports in the Red Sea, so that witness could not discharge them in any number, *Tryon* 1944——Receipt at Annesley Bay of news of the fall of Magdala about the 18th April 1868; steps taken at once for stopping vessels at Aden, *ib.* 1962. 2073, 2074——Official communication, dated 16th April, received by witness from the camp relative to the transport arrangements for the removal of troops, &c., *ib.* 1962. 2074——Several obstacles to the rapid discharge of the vessels at Bombay, witness having made sundry suggestions on the subject which were adopted, *ib.* 1969-1971.

Conclusion that every dispatch was used by the captains of the transports, and that they cannot be justly charged with intentional delay with a view to prolonging the hire, *Tryon* 1976-1982——Further statement relative to the difficulties experienced in discharging the transports in Bombay Harbour, *ib.* 2055-2067——There was no unnecessary detention of transports at Annesley Bay, *ib.* 2496——Explanation as to some transports having been discharged at Bombay and afterwards sent on to Calcutta, *ib.* 2497-2499.

Statement in Minute by Sir Seymour Fitzgerald relative to the unavoidable delay in discharge of transports, *App.* 140.

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15. *Great Delay in discharging Transports at Bombay, &c.*—continued.

Remarks by Mr. Turner relative to the difficulties experienced at Bombay, &c., in the discharge of the transports, and the enhanced expense on this score, *App.* 186.

16. *Question of Discharge of Transports at Annesley Bay:*

Belief that the transports could not, under the charters, have been discharged at Annesley Bay, *General Jameson* 582–588——Special provision in the charter-parties that the vessels should be discharged at Bombay or Calcutta, *Turner* 962–965. 968.

Examination as to witness not having discharged at Annesley Bay the first five transports chartered at Bombay; question whether under the charter-parties of these vessels he possessed the option of such discharge, *Tryon* 2271 *et seq.*——Omission in earlier charter-parties at Bombay of any mention of the port at which the vessels were to be discharged; removal of all doubt on the subject at the suggestion of witness, the port having been subsequently named in each case, *ib.* 2284–2296.

Mention of several vessels chartered for six months certain, and of the rate per ton in each case; demand for the continued employment of these, so that their discharge at Annesley Bay was not feasible, *Tryon* 2310–2329——Considerable difficulty as to towing the transports away from Annesley Bay if discharged there, *ib.* 2435–2443——Further explanation on the question of the discharge of vessels at Annesley Bay, *ib.* 2503.

See also *Accounts. Annesley Bay. Bombay Marine. Calcutta. Coals. Crimean War. Estimates. Expenditure. Fittings of Transports. Hay. Hospital Ships. Indian Troop Ships. Invalid Troops. Monsoon. Mules*, 2. *Red Sea. Sailing Ships. Steam Transports. Stores. Troop Ships. Water Supply.*

Treasury. Reference to certain correspondence and personal communication between the India Office and the Treasury as explanatory of the financial arrangements and accounts agreed upon by the two departments, *Sir S. H. Northcote* 15–17——Statement as to the reports by the Treasury financial officer not having been forwarded to the India Office, *ib.* 205–210. 218–223——Explanation that Mr. Turner, the Treasury officer at Bombay, was sent out to watch the expenditure but not to control it in any way, *ib.* 220–222.

Duty of witness to report to the Treasury and to scrutinise the charges, but not to superintend the expenditure, *Turner* 1180, 1181. 1189–1192. 1201, 1202.

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Troop Ships. Recommendation by witness about six years ago that Government should possess a certain number of first-class troop ships, *Admiral Mends* 1611—— Much larger employment of Government transports by France than by England, *ib.* 1902–1904. 1915——Opinion that the Imperial Government should possess several transports of their own, irrespectively of the Indian transports, *ib.* 1916–1919.

Tryon, Captain George, R.N. (Analysis of his Evidence.)—Appointment of witness in charge of the transports in the Indian seas on 31st August 1867; he left England for Bombay on 17th September, 1922–1927——Passing inquiry made by witness at Suez and Aden as to the probable requirements of the transport service at those ports, 1928——Outline of the duties undertaken by witness on arrival at Bombay, economy and efficiency being the objects in view, 1929–1931——Departure of witness from Bombay for Aden and Annesley Bay on the 15th December; all the transports had in the meantime arrived, and were in an efficient state, 1932–1935.

General charge undertaken by witness in connection with the transports on his arrival at Aden, 1936—— Exceedingly inconvenient character of Annesley Bay for the landing of stores; laborious arrangements necessary on the subject, 1937, 1938. 1949——Necessity of a very extensive system of condensing in order to supply the transports and the troops with water after arrival at Annesley Bay, 1939–1942——Use of 8,020 tons of coals for condensing, 1943——Full employment for the transports, so that witness could not discharge them in any number, 1944.

Heavy loss of animals by disease, so that it was necessary to employ a very large amount of tonnage in bringing animals from Berbera and other places; great difficulty experienced in this matter, 1945–1949. 1954——Very trying character of the climate at Annesley Bay, the heat having been excessive, so that there was much invaliding, 1950–1952——Explanation of the circumstances under which witness decided upon the discharge of the "Peruvian" at Bombay; saving effected thereby, 1953——Memorandum of suggestions relative to the transport service prepared by witness for Sir Robert Napier in January 1868, together with remarks thereon by the latter, 1955, 1956.

Great expense owing to the unforeseen mortality of mules and the necessary employment of transports in procuring fresh supplies, 1957——Unforeseen expense also in connection with the water supply, 1957. 1959——Absence of grass or forage at Zoulla, whereas

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whereas a considerable supply was expected, 1958, 1959——Absolute necessity of every resource placed at the disposal of the transport authorities at Annesley Bay, 1960–1962.

Several causes which necessitated the accumulation of a vast amount of tonnage in Annesley Bay, whilst it was found impracticable to discharge the cargoes rapidly, 1962——Necessity also of always keeping at least four steamers at Annesley Bay condensing, *ib.*——Difficulty in supplying water for a greater number of men than were employed in unloading the transports, *ib.*

Receipt at Annesley Bay of news of the fall of Magdala about the 18th April 1868; steps at once taken for stopping vessels at Aden, 1962. 2073, 2074——Official communication, dated 16th April, received by witness from the camp, relative to the transport arrangements for the removal of the troops, &c., 1962. 2074——Necessity of landing and forwarding stores to the front long after the return march had commenced, 1962——Prompt dispatch of hay ships when it was known the army was safe, *ib.*——Statement that no hay was re-embarked except for sea stock, 1963.

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TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON THE

ABYSSINIAN WAR.

Ordered, by The House of Commons, *to be Printed.*
30 *July* 1869.

380—I.

Under 8 *oz.*

REPORT

FROM THE

SELECT COMMITTEE

ON

MAIL CONTRACTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
23 *March* 1869.

106.

Friday, 12*th March* 1869.

Ordered, THAT the Contracts entered into by the Postmaster General with Messrs. Cunard and Co. and Mr. William Inman, for the Conveyance of Mails from this Country to the United States, be referred to a Select Committee of this House.

Monday, 15*th March* 1869.

Ordered, THAT the Committee do consist of Seven Members, Five to be nominated by the Committee of Selection, and Two to be added by the House.

Tuesday, 16*th March* 1869.

Members nominated by the Committee of Selection:

Mr. Dent.	Sir Massey Lopes.
Mr. Greaves (Warwick).	Mr. Talbot (Glamorganshire).
Mr. E. T. Hamilton (Salisbury).	

Ordered, THAT Mr. Seely and Mr. Graves be added to the Select Committee.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Ordered, THAT it be an Instruction to the Committee to sit and proceed forthwith, and to sit from day to day.

Friday, 19*th March* 1869.

Ordered, THAT the Committee have leave to sit till Five of the clock, during the sitting of the House; and to sit To-morrow, at Twelve of the clock, notwithstanding the adjournment of the House.

Tuesday, 23*rd March* 1869.

Ordered, THAT the Committee have leave to sit till Six of the clock, during the sitting of the House.

Ordered, THAT the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, to the House.

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REPORT.

THE SELECT COMMITTEE appointed to enquire into the CONTRACTS entered into by the Postmaster General with Messrs. *Cunard & Co.* and Mr. *William Inman*, for the conveyance of MAILS from this country to the UNITED STATES;——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

1. IN considering the Contracts with Messrs. Cunard and Inman, which have been submitted to your Committee by the Order of The House, we have been placed in a position of difficulty by not having added to our number any member of the present or late Administration possessing an official knowledge of the Contracts under consideration. We have therefore called before us the Marquis of Hartington, the present Postmaster General; Mr. Hunt, the late Chancellor of the Exchequer; Mr. Scudamore, Mr. Frederick Hill, Mr. Page, and Mr. Chetwynd, permanent officials of the Post Office; Messrs. Burns and Inman, representatives of the contracting firms, as well as the representatives of other steam navigation companies, and gentlemen largely engaged in the North American trade.

2. The whole question of Postal Packet Contracts underwent a most careful consideration by a Committee of The House which sat in the years 1859 and 1860, and made the American Contracts a special part of their Report, and recorded "their conviction that it is quite practicable to dispense with large "subsidies in cases where ordinary traffic supports several lines of steamers, "and that in the circumstances which have for some years existed in regard "to the communication between this country and North America, no such "subsidies are required to secure a regular, speedy, and efficient postal service."

3. A Treasury Minute of 16th April 1860 also approved of the principles that the Packet Service should be, as far as possible, self-supporting, and that long Contracts should, as far as possible, be avoided. 451. 821.

4. We had to consider how far the recommendation of the Committee and of the Treasury Minute had been observed, although we recognise the argument of Mr. Scudamore, that it was not intended to fasten the Post Office down to a hard and fast line. 822, 823.

5. The duration of each Contract before us is for a period of seven years, with 12 months' notice, or, in fact, eight years certain.

6. The payment for the services is fixed at a rate of 70,000 *l.* per annum for two weekly services by the Messrs. Cunard, on Sunday and Wednesday, from Queenstown to New York and Boston respectively, and at a rate of 35,000 *l.* per annum for one weekly service, to be performed by Messrs. Inman on Friday, from Queenstown to New York.

7. The security for due performance of the service rests only on the well-known character of the contracting firms.

8. The question of these Contracts for American mails has been long before the Post Office and Parliament, and the negotiations which led to the present Contracts are intimately connected with those of the previous year.

484. 9. On the 1st January 1868 a new Postal Contract with the United States came into operation, which reduced the rate of Postage on International Letters not exceeding half-an-ounce in weight, to sixpence in the United Kingdom and twelve cents in the United States, and further provided, "that each office should "make its own arrangements for the dispatch of Mails to the other office by "well-appointed ships, sailing on stated days, and should at its own cost remu-"nerate the owners of such ships for the conveyance of the Mails." Before this
974. 980. date the postage on British letters to the United States had been one shilling, and the contracts of the British Post Office provided only for one fortnightly service from Queenstown to New York and back, and one fortnightly service from Queenstown to Boston (*viâ* Halifax) and back, to be performed by Messrs. Cunard for an annual payment of 173,000 *l.*

853, 854, 855. 860. 906-909. 10. For the service of the year 1868 the Post Office was anxious to obtain tenders regulating the payments to the contractors by the amount of sea postage earned, a system which the United States Post Office had for some years adopted, and which Messrs. Inman and other Companies had for some time accepted. On these terms Messrs. Inman tendered for a weekly service to New York, and their tender was accepted. The Cunard Company refused to tender on these terms; and after some negotiation with the Post Office, entered into a contract
1539. for the service of 1868 for a payment of 80,000 *l.* for the year, to provide a weekly mail to leave Queenstown every Sunday for New York, and every Wednesday to leave New York for Queenstown, with a stipulation that the Cunard Company should repay to the British Government the sums received by them
1780. from the United States for the conveyance of the homeward mail on Wednesday. The Post Office Authorities estimated that the loss on this contract would be 5,000 *l.*, but Mr. Chetwynd admits that the loss actually amounted to 35,586 *l.* if the sea service were credited with the sea postage only, to 25,547 *l.* if the
1795. British inland postage were included, and to 15,341 *l.* if the gross or total postage were considered as belonging to the sea service. "It is right we should "add that the Post Office Authorities ascribe the failure of their calculation, "first, to the fact that the American Post Office had, contrary to expectation,
983. "departed from its practice of paying the whole sea postage; and secondly, to
1152. "the fact that after the calculation was made, a contract was given to the "Hamburg-American Company, which took away from the Messrs. Cunard a "portion of the correspondence they would otherwise have carried."

11. Mr. Inman, in a letter to the Secretary of the Treasury, dated 22nd November 1867, complains of the conduct of the Post Office in yielding to the demands of Messrs. Cunard in these words: "I tendered to the advertisement in
1730. full faith that "the Post Office had fixed the pay, and I think, even now, others
1732. "will do it if Cunards will not." And, in examination, he stated that at that time he would have performed the service himself if the Post Office had not yielded to Messrs. Cunard.

858. 880. 883. 12. During the year 1868 the Post Office again advertised for tenders for mail services from Queenstown to New York, but no tenders were sent in upon the exact terms proposed. Messrs. Cunard and Inman had now agreed with one another to send in offers upon the same terms, which were for weekly services paid by fixed subsidies, and for a contract lasting over 10 years, with a year's notice of termination. Negotiations ensued, and contracts were entered into and accepted by the Companies on the 7th October 1868, and finally settled and signed on the 11th and 12th December upon the terms mentioned in the former part of this Report. It has been shown to the Committee that Queenstown
863, 864. 873. possesses great advantages as a port for the despatch and receipt of American mails, that three-fourths of the correspondence to America go by the Queenstown route; and the late Chancellor of the Exchequer stated to us that he believed that no one of the then existing "steamboat companies which could give a satisfactory service had tendered in accordance with the prescribed conditions, it would be useless to re-advertise the service, and it also appeared
1140. 1141. to him that it would be well to negotiate with Messrs. Cunard and Inman, who appeared to be the only persons capable of giving the particular service which the Post Office thought best adapted to the wants of the whole community. In the negotiations which followed, Messrs. Cunard and Inman first offered an abatement of 30,000 *l.* per annum from the price demanded, but ultimately,

on

on the 7th October, accepted an offer made to them by the Government on the 1st October of 105,000 *l.* instead of 150,000 *l.* for the tri-weekly service, and also consented to a reduction of the term of the contract from ten to seven years."

13. These contracts, no doubt, present a very favourable contrast to those entered into with Messrs. Cunard in 1858 and again in 1868; but the payments to be made, when compared with those made by the American Post Office for the homeward mails, are widely different, inasmuch as the American Post Office have hitherto paid only for actual service rendered, at about half the rate of the British Post Office when paying by the quantity of letters carried; and Mr. Scudamore and Mr. Inman states that a considerable portion of the cost of the American mails to England is, in fact, borne by the British Post Office, although the receipts are equally divided between the two offices. 1045. 1607. 494.

14. We have no complaints as to the homeward service; it is as regular and expeditious, as the outward service. Mr. Inman however stated, "That the "German Company, the Hamburgh Company, the Cunard Company, and his "own, have come to an agreement that they will not carry mails on the terms "which the late Postmaster General of the United States requested them to do; "they have refused to go into any contract, and he had left two Saturdays go vacant." 999. 1267. 1331. 1608.

15. The question, however, arises whether at our own rates of postage this service will be self-supporting. Mr. Chetwynd has furnished us with an estimate of the gross postage to be derived from the carriage of the outward mails, amounting to 113,000 *l.* He has also given us the actual sums earned last year by each contracting company, supposing them to have been paid the sea postage only at the rates of 1 *d.* per ounce for letters, 3 *d.* per pound for papers, 5 *d.* per pound for books. These earnings for the packets sailing from Queenstown amount to 51,600 *l.*; for those sailing from Southampton to 16,800 *l.* Appendix, p. 3.

16. If, then, we give to the three mail steamers now sailing from Queenstown the whole sea postage, and suppose that no mail will leave Southampton, they will earn 68,400 *l.* If we add to this one-half for the inland postage, we arrive at a sum of 102,600 *l.* for the gross postage, supposing the Queenstown line to carry all the letters; but if the same number of letters still go by Southampton, the gross portion will only amount to 77,400 *l.* as against an annual payment of 105,000 *l.* As regards the American mails, the general practice of the British Post Office has been to credit the packet service with the sea postage only. Mr. Frederick Hill and Mr. Scudamore, secretaries of the Post Office, are at issue as to the true basis of calculation, the latter thinking that the sea-service is entitled to the full charge, including sea and inland rates.

As to the probable increase of correspondence, the Committee have no very certain information before them, and therefore abstain from committing themselves to any estimate. Mr. Chetwynd has put in a statement showing the number of letters carried since 1863, viz.:—

1863 - - -	2,461,440
1865 - - -	3,337,697
1866 - - -	4,066,284
1867 - - -	3,966,759
1868 - - -	4,875,802

And the Committee think there is no doubt that some increase may for the present be anticipated.

17. Under all the circumstances we are of opinion that, considering the already large and continually increasing means of communication with the United States, there is no longer any necessity for fixed subsidies for term of years in the case of this service; and having regard to the fact that a weekly service had been carried on by Mr. Inman in 1868 in consideration of receiving the sea postage only, to the difficulties which these contracts would for eight years throw in the way of any great reduction of postage, and to the express power of disallowance by the House of Commons contained in the contracts themselves; we recommend that the contracts with Messrs. Cunard and Mr. Inman's Company be disapproved, compensation being made if necessary, on the basis of the contracts for services already performed in the present year.

18. Messrs. Burns and Inman appeared before us, and stated that they had not understood Clause 24 of their contracts as rendering the contracts liable to be disapproved by Parliament for any cause, except want of good faith, or dishonesty in the parties contracting; and that they had entered upon their contract, and had now been working under its provisions at considerable expense and loss hitherto, since 1st January 1869, in the belief that Parliament would not disapprove any contract, if satisfied that it had been entered into in good faith by both parties.

19. Your Committee do not recognise the accuracy of this reading of the clause, but they consider that the contractors may have suffered some hardship and inconvenience from the delay which has taken place in submitting the contracts to the consideration of Parliament. They recommend, therefore, that an option should be given to the contractors of continuing the contract for a shorter period.

20. Your Committee would in conclusion strongly recommend that in order to avoid all similar difficulties for the future, to do justice to all parties concerned, to give Parliament an opportunity of deliberately dealing with these questions, that all such and similar contracts should be considered by the Government, and brought before the House of Commons in the spring rather than in the autumn of the year preceding their expiration; they further regret that the time allowed for enquiring into these matters has been so limited, and they think that this difficulty might have been avoided had the contracts been placed on the Table of the House on the assembling of Parliament.

23 *March* 1869.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 17*th March* 1869.

MEMBERS PRESENT:

Mr. Dent.	Mr. Talbot.
Mr. Greaves.	Mr. Seely.
Mr. Hamilton.	Mr. Graves.

Mr. DENT was called to the Chair.

Mr. *Herbert Taylor*, Mr. *Pearson Hill*, Mr. *Thomas Wallis*, and Mr. *Andrew Duncan* were severally examined.

[Adjourned till To-morrow, at Eleven o'clock.

Thursday, 18*th March* 1869.

MEMBERS PRESENT:

Mr. DENT in the Chair.

Mr. Greaves.	Mr. Seely.
Mr. Graves.	Mr. Talbot.
Mr. Hamilton.	

Mr. *Frederic Hill* was examined.

The room was cleared, and the Committee deliberated.

Mr. *W. E. Baxter* (a Member of the House), Mr. *Andrew Maris*, Mr. *Rodewald*, and Mr. *James Robinson* were severally examined.

[Adjourned till To-morrow, at Twelve o'clock.

Friday, 19*th March* 1869.

MEMBERS PRESENT:

Mr. DENT in the Chair.

Mr. Greaves.	Mr. Hamilton.
Mr. Graves.	Sir Massey Lopes.
Mr. Seely.	

Mr. *Stephen Barker Guyon*, The Marquis of *Hartington* (a Member of the House), Postmaster General, Mr. *Frank Scudamore*, and the Right Honourable *George Ward Hunt* (a Member of the House) were severally examined.

Mr. *Andrew Duncan* and Mr. *Thomas Wallis* were severally further examined.

Mr. *William James Page* was examined.

The room was cleared, and the Committee deliberated.

Mr. *W. J. Page* was further examined.

[Adjourned till To-morrow, at Twelve o'clock.

Saturday, 20*th March* 1869.

MEMBERS PRESENT:

Mr. DENT, in the Chair.

Mr. Greaves.	Mr. Hamilton.
Mr. Graves.	Mr. Seely.
Sir Massey Lopes.	

Mr. *Russel Sturgis*, Mr. *Francis A. Hamilton*, Mr. *Junius S. Morgan*, Mr. *John Burns*, and Mr. *William Inman* were severally examined.

Mr. *Frank Scudamore* was further examined.

Mr. *George Chetwynd* was examined.

The room was cleared, and the Committee deliberated.

[Adjourned till Monday, at One o'clock.

Monday, 22*nd March* 1869.

MEMBERS PRESENT:

Mr. DENT, in the Chair.

Mr. Greaves.	Mr. Seely.
Mr. Graves.	Mr. Hamilton.
Sir Massey Lopes.	

The Committee deliberated.

[Adjourned till To-morrow, at Twelve o'clock.

Tuesday, 23*rd March* 1869.

MEMBERS PRESENT:

Mr. DENT, in the Chair.

Mr. Graves.	Mr. Talbot.
Mr. Seely.	Mr. Hamilton.
Sir Massey Lopes.	Mr. Greaves.

DRAFT REPORT proposed by the *Chairman*, read the first time, as follows:—

"1. IN considering the contracts with Messrs. Cunard and Inman, which have been submitted to your Committee by the Order of The House, we have been placed in a position of difficulty by not having added to our number any member of the present or late Administration possessing an official knowledge of the contracts under consideration. We have called before us the Marquis of Hartington, the present Postmaster General; Mr. Hunt, the late Chancellor of the Exchequer; Mr. Scudamore, Mr. Frederick Hill, Mr. Page, and Mr. Chetwynd, permanent officials of the Post Office; Messrs. Burns and Inman, representatives of the contracting firms, as well as other witnesses.

"2. The whole question of postal contracts underwent a most careful consideration by Committees of The House in the years 1859 and 1860, who made the American contracts a special part of their Report, and recorded 'their conviction that it is quite practicable to dispense with large subsidies in cases where ordinary traffic supports several lines of steamers, and that in the circumstances which have for some years existed in regard to the communication between this country and North America, no such subsidies are required to secure a regular, speedy, and efficient postal service.'

"3. A Treasury

" 3. A Treasury Minute of 16th April 1860 also approved of the principles that the Packet Service should be, as far as possible, self-supporting, and that long contracts should, as far as possible, be avoided. 451. 821.

" 4. We had to consider how far the recommendation of the Committee and of the Treasury Minute had been observed, although we recognise the argument of Mr. Scudamore, that it was not intended to fasten the Post Office down to a hard and fast line. 822, 823 *a*.

" 5. The duration of each contract before us is for a period of seven years, with 12 months' notice, or, in fact, eight years certain.

" 6. The payment for the services is fixed at a rate of 35,000 *l.* per annum for each weekly service, of which Messrs. Cunard perform one on Sunday and one on Tuesday, Messrs. Inman one on Thursday in each week.

" 7. The security for due performance of the service rests only on the well-known character of the contracting firms.

" 8. The question of these contracts for American mails has been long before the Post Office and Parliament, and the negotiations which led to the present contracts are intimately connected with those of the previous year.

" 9. On the 1st January 1868 a new postal contract with the United States came into operation, which reduced the rate of postage on international letters to 6 *d.* in the United Kingdom and 12 cents in the United States, and further provided, 'that each office should make its own arrangements for the dispatch of mails to the other office by well-appointed ships, sailing on stated days, and should at its own cost remunerate the owners of such ships for the conveyance of the mails.' Before this date the postage on British letters to the United States had been 1 *s.*, and the contracts of the British Post Office provided only for one fortnightly service from Queenstown to New York and back, and one fortnightly service from Queenstown to Boston (*viâ* Halifax) and back, to be performed by Messrs. Cunard for an annual payment of 173,000 *l.*

" 10. In the service of the year 1868 the Post Office was anxious to obtain tenders regulating the payments to the contractors by the amount of sea postage earned, a principle upon which the United States Post Office had long acted, and which Messrs. Inman and other Companies had for some time approved and accepted. On these terms Messrs. Inman tendered for a weekly service to New York, and their tender was accepted. The Cunard Company, relying upon their former services, and the power which they had obtained from the large subsidies heretofore paid to them, refused to tender on these terms; and after some negotiation with the Post Office, entered into a contract for the service of 1868 for a payment of 80,000 *l.* for the year, to provide a weekly mail to leave Queenstown every Sunday for New York, and every Wednesday to leave New York for Queenstown, with a stipulation that the Cunard Company should repay to the British Government the sums received by them from the United States for the conveyance of the homeward mail on Wednesday. The Post Office authorities estimated their loss on this contract at 5,003 *l.*, but Mr. Chetwynd admits that, as compared to the rate paid to Messrs. Inman, this loss amounted to 35,000 *l.*, or to 25,000 *l.* if the British inland postage be given for this service, or 16,000 *l.* if the gross postage be considered applicable to the payment of the contract.

" 11. Mr. Inman, in a letter to the Secretary of the Treasury, dated 22nd November 1867, complains of the conduct of the Post Office in yielding to the demands of Messrs. Cunard in these words: 'I tendered the advertisement in full faith that the Post Office had fixed the pay, and I think, even now, others will do it if Cunards will not.' And, in examination, he stated that at that time he would have performed the service himself if the Post Office had not yielded to Messrs. Cunard.

" 12. During the year 1868 the Post Office again advertised for tenders for mail services from Queenstown to New York, but no tenders were sent in upon the exact terms proposed. Messrs. Cunard and Inman had now agreed with one another to send in offers upon the same terms, which were for weekly services paid by fixed subsidies, and for a contract lasting over 10 years, with a year's notice of termination. Negotiations ensued, and contracts were entered into and accepted by the Companies on the 27th and 28th October 1868, and finally settled and signed on the 11th and 12th November upon the terms mentioned in the former part of this Report.

" 13. These contracts, no doubt, present a very favourable contrast to those entered into with Messrs. Cunard in 1858 and again in 1868; but the payments to be made, when compared with those made by the American Post Office for the homeward mails, are widely different, inasmuch as the American Post Office have hitherto paid only for actual service rendered, at about half the rate of the British Post Office when paying by the quantity of letters carried; that is to say, America pays 15 cents per ounce, while Great Britain pays one shilling per ounce for the sea postage of international letters, and Mr. Scudamore and Mr. Inman admit that half the cost of the American mails to England is, in fact, borne by the British Post Office, although the receipts are equally divided between the two offices. 1045. 1607.

"14. We have no complaints as to the homeward mail; it is as certain, as expeditious, and as regular in delivery as the outward, and the conditions imposed by the American 1267. 1331. Post Office are more stringent than those imposed by our own, although the two contracting companies are dissatisfied, and are proposing to annul their contracts altogether, and to refuse to carry the homeward mails from the United States on the present terms.

"15. The question, however, arises whether at our own rates of postage this service will be self-supporting. Mr. Chetwynd has furnished us with an estimate of the gross postage to be derived from the carriage of the outward mails, amounting to 113,000 *l.* Appendix C. He has also given us the actual sums earned last year by each contracting company, supposing them to have been paid the sea-postage only. Those earnings for the packets sailing from Queenstown amount to 52,000 *l.*; for those sailing from Southampton to 16,000 *l.*

"16. If, then, we give to the three mail steamers now sailing from Queenstown the whole sea postage, and suppose that no mail will leave Southampton, they will earn 68,900 *l.*; and allowing 15 per cent. for the annual increase of letters, the amount will be 79,200 *l.* If we add to this, one-third, viz., 26,400 *l.*, for the inland postage, we arrive at a sum of 105,600 *l.* for the gross postage, supposing the Queenstown line to carry all the letters, but if a proportionate number of letters still go by Southampton, we must deduct from this sum of 105,600 *l.*, 16,900 *l.* for sea-postage, 2,500 *l.* annual increase at 15 per cent., and one-third, 6,200 *l.* for inland postage, making for gross postage *viâ* Southampton, 25,600 *l.*, which leaves 80,000 *l.* for the earnings of the Queenstown line as against a payment of 105,000 *l.* But hitherto the British Post Office has only recognised the sea postage as belonging to the packet service, and in all its contracts has considered this the basis of its calculation.

"17. Another Table put in by Mr. Chetwynd, founded on the calculation of 3⅓ letters to the ounce, and 7¼ papers to the pound, and 5½ book-packets to the pound, shows the estimated amount of sea postage earned by the several lines of North American mail packets on the outward voyages during the year 1868:

	£.
Cunard	34,924
Inman	25,987
North German Lloyd	13,408
Hamburg-American	6,400

"From this we arrive at the earnings of the

Queenstown boats	60,800
Add to this one-third for inland postage	20,200
	81,000
Average yearly increase at 15 per cent.	12,000
	£. 93,000

"And treating the postage earned *viâ* Southampton in the same manner, we have,

	£.
Earnings	19,800
Inland postage at one-third of the above	6,600
	26,400
Fifteen per cent. annual increase	3,900
	£. 30.300

"Taking this basis of calculation, and supposing all the gross postage to be given to the Queenstown route, we shall have 123,000 *l.* for gross postage.

"But we can scarcely imagine that the Southampton route, so convenient for foreign mails, is to be abandoned, nor have we any right to suppose that the Post Office will surrender for a Queenstown service the gross postage, when hitherto their custom has been to pay sea postage only. If, then, we consider that the Southampton service will still carry its proportionate share of letters, we must leave for Queenstown 92,800 *l.* gross postage; or, deducting one-third for inland postage, we should have a sum of 61,000 *l.* sea postage to meet the payment of 105,000 *l.*

"18. It therefore appears to us that a fixed subsidy is unnecessary to secure a regular, certain, and efficient postal service between this country and the United States, while the long period for which the contracts are made preclude, during that time, the conclusion of more advantageous contracts, and thus hinder the development of the postal communication with America. Finally, the amount to be paid for the service is such as to prevent its being self-supporting, even if we allow, which has never been done before, the gross postage, and not the sea postage only, to be placed to its credit.

"19. For

"19. For these reasons, the Committee cannot recommend the confirmation of the contracts as they now stand.

"20. Messrs. Burns and Inman appeared before us, and stated that they had not understood clause 24 of their contracts as rendering the contracts liable to be dissolved by Parliament for any cause, except want of good faith, or dishonesty in the parties contracting; and that they had entered upon their contract, and had now been working under its provisions at considerable expense and loss hitherto, since 1st January 1868, in the belief that Parliament would not rescind any contract, if satisfied that it had been entered into in good faith by both parties.

"21. Your Committee do not recognise the accuracy of this reading of the clause, but they consider that the contractors may have suffered some hardship and inconvenience from the delay which has taken place in submitting the contracts to the consideration of Parliament. They recommend, therefore, that an option should be given to the contractors of continuing the contract for a limited period."

Draft Report proposed by Mr. *Graves*, read the first time, as follows:—

"1. That, in calling for tenders for the the conveyance of mails to New York, the Post Office appears to have endeavoured to act in accordance with the recommendations of the Parliamentary Committee of 1860 on Contract Packets, and to have tried to obtain contracts at sea-postage rates, terminable at six months' notice, and with guarantees for speed.

"2. That the late Chancellor of the Exchequer appears to have endeavoured to fulfil the assurance which he gave to the House of Commons on the 20th March 1868, that he would aim at making the service self-supporting, and at placing all companies carrying the mails on equal terms; and that he instructed the Post Office to invite tenders on the prescribed terms for the conveyance of the mails from Queenstown.

"3. That it has been proved to the Committee that Queenstown possesses great advantages for the dispatch and receipt of American mails; that the transmission of a letter to New York is, in the case of no principal town in the kingdom, slower, whilst in the case of most, it is much quicker by Queenstown than by Southampton; that with regard to the homeward mails, an arrival at Queenstown facilitates the simultaneous delivery of letters in the principal towns of the kingdom; and that three-fourths of the correspondence from this country go by the Queenstown route.

"4. That none of the tenders made appear to have been in accordance with the terms prescribed; that two were from the North German Lloyd and the Hamburg-American Company for services at sea postage rates, the latter company demanding, in addition to the sea postage, a payment of 12,000 *l.* per annum if the service were carried on weekly throughout the winter months; both companies requiring that Southampton, instead of Queenstown, should be the port of departure; while the first asked an extension of 12 hours, and the second an extension of 24 hours in the time allowed for the voyage; that a third tender from the National Company of Liverpool for a service from Queenstown at a penny per ounce of letters was deemed inadmissable; first, because it was clogged with conditions at variance with the existing postal convention with the United States, and second, because the vessels of the company could not perform the service in the prescribed time; that the remaining tenders from the Inman Company and Messrs. Cunard conjointly were identical in terms, the first being for one, and the second for two services per week from Queenstown, at a payment of 50,000 *l.* and 100,000 *l.* per annum for one and two services, and for a term of ten years, with twelve months' notice at the expiration thereof; that the North German Lloyd and Hamburg Companies were willing to be bound in qualified penalties, the other companies refusing to be so bound.

"5. That, under these circumstances, Her Majesty's late Government considered that as the only then existing steam-boat companies which could perform the service in a manner satisfactory to the Post Office had declined to tender on the prescribed conditions, it was useless to re-advertise the service; and it also appeared to them that as the German companies had refused to sail from Queenstown, one of those companies basing its refusal on the risks attending the passage from Southampton to Queenstown, it was necessary to negotiate with the only persons who could give the Post Office the service which it desired.

"6. That in the negotiations which followed, Messrs. Inman and Cunard offered an abatement of 10,000 *l.* and 20,000 *l.* from the sums which they had asked, but that the late Chancellor of the Exchequer required a still further abatement, and instructed the Post Office to offer to Mr. Inman 35,000 *l.* for one, and to Messrs. Cunard 70,000 *l.* for two weekly services, with a reduction of three years from the term asked.

"7. That an offer in these terms was made to Messrs. Inman and Cunard on the 1st October, and accepted on the 7th October; and that, on the 27th October, the Treasury, in authorising the execution of the contracts, instructed the Postmaster General to re-insert the clause (which had been omitted from the conditions of tender) empowering the Admiralty, in the event of war, to purchase the vessels of the contractors.

 "8. That

"8. That on the accession of the present Government to office, they endeavoured to induce the contractors to agree to a further reduction of two years in the term, and to induce Mr. Inman to change his day of sailing from Thursday to Friday, so as to divide the service equally throughout the week; that both contractors refused to agree to the further reduction of the term, but that Mr. Inman consented to change his day of sailing, provided the other conditions of his contract were maintained intact; and that a fresh contract for the change of day has, with the sanction of the Treasury, been forwarded to Mr. Inman, and executed by him.

"9. That, taking all these circumstances into account, it appears to the Committee that the arrangements provided by the contracts, with the modification as to Mr. Inman's day of sailing, are the best that the Post Office could have made for a regular and efficient service.

"10. That the sum to be paid annually to the contractors appears to be moderate for the service to be performed, and to be less than the gross postage of the letters to be conveyed; the gross postage being, in the opinion of the Committee, for the reasons stated in evidence, fairly applicable to this purpose.

"11. That, although the contractors are not subject to penalties, they have for many years performed a service of which no one has complained, under the like freedom from penalties; and that as the cost of the extra coals which must be burnt to avoid penalties will often exceed the penalties themselves, they afford little or no security.

"12. That, though it has been shown to your Committee that, during the year 1868, the mails from the United States were carried for the United States Post Office by the companies under contract with the English Government at a much lower rate than was paid by the English Government, it has also been shown that companies have now unanimously determined not to carry the mails from the United States unless they receive an increase of remuneration.

"13. That it has been stated to your Committee that the Post Office has the power to send the mails as ship letters, but that it has also been shown that, even if the ship letter enactments were ever intended to apply to mails of this size and character, it is clear that they involved no obligation on a shipowner to call at a particular port for the mails, or to wait for them at any port, and that it would be difficult, if not impossible, to enforce the enactments against an unwilling shipowner.

"14. That it has been stated by the Post office authorities that the ratification of these contracts will not, in their opinion, prevent such reductions of postage as may be thought desirable; but, on the contrary, will leave the Government free to apply an increase in the produce of letters to a reduction of rate without making fresh arrangements with the contracting parties.

"15. That it has been shown to the Committee that the English steam-ship owners are subject to the regulations of the Board of Trade and the Emigration Commissioners, from whom the North German Lloyd and the Hamburg Company are exempt, and that, further, they may carry no mails for foreign Governments.

"16. That, as the condition empowering the Admiralty to purchase or charter the contractor's vessels in the event of war, was inserted at the request of the Admiralty, it is presumed that there are important reasons of State for it; that no such clause could have been inserted in contracts with the North German Lloyd or the Hamburg Company, and that, had time permitted, the Committee would have thought it their duty to hear evidence from the Admiralty on this point.

"17. That the contracts were made under the authority of the late Government, and that the contractors were allowed by the present Government to commence the service on the 1st January last, without any notice that it was the intention of the Governments to question the contracts, and have continued to perform the service in those months of the year in which navigation is most perilous, and carried on at a positive loss.

"18. That though the Committee would have preferred contracts for a shorter term, but for an equally efficient service, yet, looking to the moderate amount of the payment, the excellence of the service, and the importance to the mercantile community of a regular and rapid post between this country and America, they can see no sufficient ground on which the House could refuse to ratify the contracts, and they desire to state that the abrupt termination of these contracts would entail sudden and most serious inconvenience on the public.

"19. That, in the opinion of the Committee, it will be well, in dealing with contracts of this kind hereafter, that they should be entered into at such a period of the year as will give Parliament ample time for considering them before the services are allowed to commence.

"20. Your Committee regret that the time allowed for inquiring into these matters has been so limited, and they think that this difficulty might have been avoided had the contracts been placed on the Table of the House on the assembling of Parliament."

DRAFT REPORT proposed by Mr. *Seely*, read the first time, as follows:—

"1. By the first of the contracts referred to us, Messrs. Cunard, Burns, and M'Iver are to receive 70,000*l.* a-year, for eight years certain, for the carriage of two mails weekly from Queenstown to the United States.

"By the second contract Mr. Inman's company is in like manner to receive 35,000*l.* a-year for the carriage weekly of one mail.

"2. The Chancellor of the Exchequer under the late Government informed us that these contracts were approved upon a representation that the entire sea-postage in 1868, on letters for the United States, was 101,700*l.*, and that the services would consequently be nearly self-supporting. It has, however, been proved to us that this representation was in excess of the true amount by 26,000*l.* To this deficit would have to be added the amount of sea-postage on postal matter carried by other lines, amounting in 1868 to at least 12,000*l.*

Hunt, 1141. 1170. Scudamore, 892.

Hunt, 1172. P. Hill, 94-1 F. Hill, 464. Scudamore, 1

"3. Further, with regard to the contract with Messrs. Cunard, of the two services in consideration of which their subsidy of 70,000*l.* is to be paid, the Tuesday service, being performed for the most part by a slower class of boats which have usually been overtaken by ships of another line starting on the following day, is of little or no value for the purposes of the Post Office.

Taylor, 27–30. Wallis, 21 Baxter, 648. Morris, 667. Rodinald, 703. Guion, 75 Scudamore, 917. Sturgis, 1 Morgan, 1347. Burns, 14

"4. We see no reason to doubt that an effective service might readily have been obtained on better terms. If these contracts should be approved, the Post Office of this country would (on the basis of the figures for 1868) be paying about 117,000*l.* per annum gross for services nearly identical with those for which the United States Post Office pays about 38,000*l.*, and would make an annual loss of 42,000*l.* where the United States make a gain of 37,000*l.*

P. Hill, 102, 103. Duncar 372. F. Hill, 494. Scudamore, 1045. Hunt, 1164.

"5. We are of opinion that, considering the already large and continually increasing means of communication with the United States, there is no longer any necessity for fixed subsidies for terms of years in the case of this service; and having regard to the views expressed, before these contracts were made, by two Committees of the House; to the small value of one of the services; to the erroneous calculation on which both contracts were approved; to the difficulties which these contracts would for eight years throw in the way of any great reduction of postage; and to the express power of disapproval contained in the contracts themselves; we recommend that the contracts with Messrs. Cunard and Mr. Inman's Company be disapproved, compensation being made on the basis of the contracts for services already performed in the present year.

"6. The evidence which has been given to us leaves no doubt that it is now both desirable and practicable to establish a self-supporting penny postage between this country and the United States. We recommend immediate negotiation with the United States Government, with a view to obtain so great a boon for the people of both countries."

Robinson, 733–738. 752. Guion, 773–775. 783.

Motion made, and Question proposed, That the Draft Report proposed by the Chairman be now read a second time, paragraph by paragraph,—(Mr. *Hamilton*).—Amendment proposed, to leave out the words "the Chairman," in order to insert the words "Mr. Graves"—(Mr. *Graves*)—instead thereof.—Question put, That the words "the Chairman," stand part of the Question.—The Committee divided:

Ayes 3.	Noes, 3.
Mr. Hamilton.	Mr. Greaves.
Mr. Talbot.	Mr. Graves.
Mr. Seely.	Sir Massey Lopes.

Whereupon the Chairman declared himself with the Ayes.—Question put, and *agreed to.*

Paragraph 1, amended, and *agreed to.*

Paragraph 2, amendments made. Amendment proposed at the end of the paragraph, to add the words: "We think it right, however, to add that this Committee expressed a doubt whether it was advisable to enter into running contracts terminable at short notice"—(Sir *M. Lopes*).

Question put, That those words be there added.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Greaves.	Mr. Hamilton.
Sir M. Lopes.	Mr. Talbot.
Mr. Graves.	Mr. Seely.

Whereupon the Chairman declared himself with the Noes.—Paragraph, as amended, *agreed to.*

Paragraph 3. Amendment proposed at the end of the paragraph to add the words—

"But in this Minute the Lords of the Treasury declared it to be their opinion that, from the very nature of the case, the responsibility of arriving at a right decision must rest mainly with the Executive Government, and be decided in each instance upon its own merits, with a view of arriving at the best result for the public service under existing circumstances," and they added, "that they must not be understood as attaching any undue importance to abstract principles, but simply as indicating some of the leading considerations which it would be desirable, as far as circumstances might admit, to keep in view"—(Sir *M. Lopes*).—Question put, That those words be there added.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Greaves.	Mr. Hamilton.
Mr. Graves.	Mr. Talbot.
Sir M. Lopes.	Mr. Seely.

Whereupon the Chairman declared himself with the Noes.—Paragraph *agreed to.*

Paragraphs 4 and 5, *agreed to.*

Paragraph 6, *disagreed to.*

Amendment proposed, instead of paragraph 6, to insert the following new paragraph in the Draft Report: "The payment for the services is fixed at a rate of 70,000 *l.* per annum for two weekly services by the Messrs. Cunard, on Wednesday and Sunday, from Queenstown to Boston and New York respectively, and at a rate of 35,000 *l.* per annum for one weekly service to be performed by Messrs. Inman, on Friday, from Queenstown to New York"—(Mr. *Graves*).—Question, That this paragraph be here inserted,—put, and *agreed to.*

Paragraphs 7 and 8, *agreed to.*

Paragraphs 9 to 12, amended, and *agreed to.*

Paragraph 13, read, and *postponed.*

Paragraph 14, amended, and *agreed to.*

Paragraph 15 read, and amended.—Amendment proposed in line 4, to leave out from the words "113,000 *l.*," to the end of the paragraph, in order to insert the words, "For the reasons stated in evidence we think the gross postage, less the establishment charges, may be considered fairly applicable to this purpose"—(Sir *Massey Lopes*)—instead thereof.—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Hamilton.	Mr. Greaves.
Mr. Talbot.	Mr. Graves.
Mr. Seely.	Sir M. Lopes.

Whereupon the Chairman declared himself with the Ayes.

Paragraph, as amended, *agreed to.*

Paragraph 16, amended, and *agreed to.*

Paragraph 17, *disagreed to.*

Amendment proposed, to insert the following new paragraph after paragraph 16 in the Draft Report—"If, therefore, the Post Office carry out the instruction which they have received from the Treasury, and put an end to the existing weekly service from Southampton, the payment of 105,000 *l.* to Messrs. Cunard and Inman will at once be covered by the gross postage, and the increasing produce of the letters from year to year may, from time to time, be applied for the purpose of making such reductions of the rate of postage as the Post Office thinks it desirable to have"—(Sir *M. Lopes*).—Question put, That this paragraph be here inserted.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Greaves.	Mr. Hamilton.
Mr. Graves.	Mr. Talbot.
Sir M. Lopes.	Mr. Seely.

Whereupon the Chairman declared himself with the Noes.

Paragraph 18, *disagreed to.*

Amendment proposed, to insert the following new paragraph after paragraph 16.

"It is evident to your Committee that great and serious inconvenience would be entailed on the Mercantile Community by an abrupt termination of the present highly efficient postal communication with the United States, more especially as it does not appear that any other equally regular and inefficient service could be substituted for it.

It

It has been stated to Your Committee that the Post Office has the power to send the Mails as Ship Letters, but it is clear that even if the Ship Letter enactments were ever intended to apply to mails of this size and character, they involve no obligation on a shipowner to call at a particular port for the Mails, or to wait at any port for them; and that it would be difficult, if not impossible, to enforce them against an unwilling shipowner" —(*Mr. Graves*).—Question put, That this paragraph be inserted in proposed Report.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Greaves.	Mr. Hamilton.
Mr. Graves.	Mr. Talbot.
Sir M. Lopes.	Mr. Seely.

Whereupon the Chairman declared himself with the Noes.

Amendment proposed, to insert the following new paragraph after paragraph 16.

"Under all the circumstances, we are of opinion that, considering the already large and continually increasing means of communication with the United States, there is no longer any necessity for fixed subsidies for terms of years in the case of this service; and having regard to the fact that a weekly service had been carried on by Mr. Inman in 1868, in consideration of receiving the sea-postage only, to the difficulties which these contracts would for eight years throw in the way of any great reduction of postage, and to the express power of disallowance by the House of Commons contained in the contracts themselves, we recommend that the contracts with Messrs. Cunard and Mr. Inman's Company be disapproved, compensation being made, if necessary, on the basis of the contracts for services already performed in the present year"—(Mr. *Seely*).

Amendment proposed to the proposed Amendment, by leaving out from the word "that" in line 1, to the end of the proposed paragraph, in order to insert the words, "We should have preferred contracts for a shorter term, based on the amount of postage realised; but, looking at the importance of a rapid, regular, and efficient communication by post with America, to the excellence of the service hitherto performed, and to the fact that no suitable offers on this principle have been made, in the absence of more weighty reasons than those which have been adduced, we hesitate to recommend that the contracts be disallowed" —(Mr. *Graves*)—instead thereof:—Question put, That the words proposed to be left out stand part of the proposed paragraph.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Hamilton.	Mr. Greaves.
Mr. Talbot.	Mr. Graves.
Mr. Seely.	Sir M. Lopes.

Whereupon the Chairman declared himself with the Ayes.

New paragraph *agreed to*, and inserted in the Draft Report.

Paragraph 19, *disagreed to.*

Paragraph 20, amended, and *agreed to.*

Paragraph 21, read, and amended. Amendment proposed in line 1, to leave out from the word "Committee" to the end of the paragraph, in order to insert the words, "are of opinion that although the House of Commons has an undoubted right to terminate the present contract, yet inasmuch as the present arrangement was settled in October last (the 7th), and the present contractors have, in the faith of that agreement, been carrying out its provisions since 1st January (nearly three months) and have already incurred considerable expense and inconvenience in their arrangements for this object; inasmuch also as no proof of excessive terms has been substantiated, no dissatisfaction has been either proved or expressed with reference to the fulfilment of these conditions, your Committee recommend, under existing circumstances, that it is advisable that the present contract should be continued"—(Sir *Massey Lopes*)—instead thereof.—Question, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Hamilton.	Mr. Greaves.
Mr. Talbot.	Mr. Graves.
Mr. Seeley.	Sir M. Lopes.

Whereupon the Chairman declared himself with the Ayes.

Paragraph *agreed to.*

Postponed paragraph 13, amended, and *agreed to.*

Motion made, and Question, That the following paragraph be inserted in the Draft Report:—

"Your Committee would, in conclusion, strongly recommend, in order to avoid all similar difficulties for the future, to do justice to all parties concerned, to give Parliament an opportunity of deliberately dealing with these questions, that all such or similar contracts

should be considered by the Government, and brought before the House of Commons in the spring, rather than in the autumn, of the year preceding their expiration. They further regret that the time allowed for inquiry into these matters has been so limited, and they think that this difficulty might have been avoided had the contracts been placed on the Table of the House on the assembling of Parliament"—(Mr. *Graves*)—put, and *agreed to.*

Question, "That this Report, as amended, be the Report of the Committee to the House,"—put and *agreed to.*

Ordered,—To Report, together with the Minutes of Evidence and an Appendix.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Wednesday, 17th March 1869.

MEMBERS PRESENT.

Mr. Dent.	Mr. E. T. Hamilton.
Mr. Graves.	Mr. Seely.
Mr. Greaves.	Mr. Talbot.

JOHN DENT DENT, Esq., IN THE CHAIR.

Herbert Taylor, Esq.; Examined.

H. Taylor, Esq. 17 March 1869.

1. Mr. *Seely.*] ARE you a merchant in the City?—I am.

2. Have you any interest in any steamship packet company?—None at all, not of any kind or description.

3. Have you for many years paid much attention to the mail communication with the United States?—I have; I am engaged in the American trade.

4. Largely?—That is a matter of opinion; probably not.

5. Have you any objection to offer to the contracts which have just been entered into by the Post Office with the United States?—Yes; I consider them very objectionable on many grounds. First, I object entirely to the system of a fixed subsidy, and by subsidy I mean a sum paid to steamers for the conveyance of mails, irrespective of the amount of mail matter carried. No doubt, many years ago, when steam navigation was first introduced on the Atlantic, it was absolutely necessary to offer some large inducement to persons to make the experiment of sending vessels on those long voyages. That large inducement was offered, and contractors had that inducement for many years. They carried on the service very successfully, but the improvements in navigation and the improvements in science enabled other persons to build vessels equally good in every respect—in many cases larger, and to perform the voyage with equal regularity and probably equal speed, in some cases superior; and those parties have been running those steamers for many years with no subsidy at all. The English Post Office for a number of years, in fact until the end of 1867, would not entertain a contract with any other line for the conveyance of mails to America except the Cunard line, and the consequence was that the mails from England on every day, except Saturdays, were conveyed, either by British, by American, or by German steamers under contract with the United States Government. We therefore wrote once a week under contract with the British Post Office, and, as the case might be, from time to time two or three times a week under contract with the United States Post Office. Those are the principal objections on the general ground; but this particular contract is open to objections on its own special grounds.

6. You mean the Cunard contract?—The contract under consideration, the joint contract with the Cunard and Inman lines, which is before you; I consider that as one contract.

H. Taylor, Esq.

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7. *Chairman.*] Was there a regular mail service by other vessels besides the Cunard vessels up to the end of 1867?—There was; there was one by the Inman line, which was one of the finest lines afloat under contract with the United States Government for sea postage only; there was one by the Bremen boats, and one by the Hamburg boats, also under contract with the United States for sea postage only.

8. Were those three distinct services; were the Hamburg and the Bremen distinct?—They were different companies.

9. Mr. *Hamilton.*] In no case was there any subsidy?—No; neither from the British Government nor anybody else; by subsidy I mean a fixed sum, irrespective of the amount of mail matter carried.

10. Mr. *Graves.*] What was the rate of sea postage then?—I am not prepared to answer that question; I can tell you what it is now, and what it was last year. Those remarks apply to the conveyance of mails up to the end of 1867; the conveyance of mails was arranged differently in 1868. I will proceed to point out the special reason why we object so strongly to the contract under consideration. The Cunard Company own six vessels of the first class, by which I mean vessels which are capable of performing the voyage within the time in which other fast vessels perform it, and six vessels is the smallest number with which it is possible to perform a service once a week; they also possess a fleet of 14 vessels, I think it is, of inferior character; they are smaller vessels, of smaller horse power, and much slower speed; and under the contract in question, they are to be given the same sum of money for the conveyance of mails by those 14 slow boats (which are technically known by those in the trade as the slow cargo boats), as the sum to be given to them for the conveyance of mails by the fast boats, and also the sum to be given to Mr. Inman for the conveyance of mails by his fast boats. These boats of the Cunard Company, the 14 cargo boats, are, in fact, so slow (though they are perfectly safe boats) that in almost every instance the steamer of the Inman line, which I consider amongst the first-class steamers, which has left Liverpool on the day after the slow cargo boat of the Cunard Company, has arrived out in America before the cargo boat of the Cunard Company which left the day before. In addition to that, these slow cargo boats go to Boston, and the bulk of the correspondence with the United States is wanted to go to New York, both for New York itself and for the other points which are served from the port of New York; and consequently this delay in the arrival of the Cunard cargo boats at Boston affects the whole mails to the southern points of the United States; and the mails which have left Liverpool on the Wednesday by the Inman fast boat for points south of New York have, I believe I am correct in saying, in every instance since the 1st of January, when this new contract commenced, been delivered at all points south of New York before the mails forwarded by the slow cargo boats of the Cunard Company which left Liverpool on the Tuesday. I therefore repeat that, though I and a great many of the merchants in the American trade object to fixed subsidies, we should not have felt so strongly in this particular case if we had not felt that we were to be called upon to pay a large sum of money for a line which was notoriously unable to perform the service as well as the other lines of the first class to which we pay the same sum.

11. Mr. *Talbot.*] How many days would the slow cargo boats be going across?—Eleven to seventeen, eighteen and twenty days.

12. What are the names of those slow cargo boats?—The "Tripoli" is one.

13. They are screws, are they not?—They are all screws; all the boats to which I allude are screws; there is only one vessel that crosses the Atlantic that is not a screw; that is the "Scotia," an old boat now.

14. You are speaking of vessels of the class of the "Alps," the "Andes," and those boats?—The "Alps" and the "Andes" have passed away long ago.

15. You are speaking of that class of vessel?—Yes.

16. Mr. *Seely.*] Have you ever written to the Post Office, objecting to those contracts?—I have, repeatedly; in fact, I began corresponding with the Post Office on the subject of the alterations in the mails, which took place at the end of last year—I think in the month of October; up to that time, in addition to the other contracts for the conveyance of mails to America, the Post Office had a contract with the Hamburg American Company for the conveyance of mails once a week from Southampton to New York; I must mention that the steamers

steamers of that Company are, I will not say the very fastest afloat, but they are unquestionably amongst the fastest afloat, and the question is whether some of them are not faster than anything else afloat; at all events, they are more modern vessels than most of those of the other companies; but owing to certain disputes, which I know nothing about, between the Post Office and the company, the company gave notice to terminate the contract, and the boats ceased carrying the mail about the end of October.

17. *Chairman.*] That is the Hamburg Company?—Yes; I wrote to the Secretary to the Post Office on the 31st of October, complaining that we were not to have the benefit of sending a mail by those steamers. If you wish it I will read that letter: "31st October, 1868.—Sir,—We understand that with the departure of the 'Westphalia' from Southampton for New York, yesterday, the contract with the Hamburg American Steamship Company for the conveyance of the mails to New York came to an end. As the steamers of this line are all very fast, we found the sailings on Friday a great convenience, and always have occasion to write by them, and we trust that the contract will be continued, and that we may be enabled to write as hitherto by the steamer of Friday next, 6th proximo.—We are your obedient servants, DAVID TAYLOR and SONS." I again wrote to the Post Office on the same subject on the 5th of November, and on the 10th of November.

18. Can you state to the Committee any particular instances in which you yourself suffered by the arrangements of the Post Office?—I can state one instance in relation to the steamer "Westphalia." On the 10th of December I wrote to the Post Office: "Sir,—The fast steamer 'Westphalia,' of the Hamburg American line, leaves Southampton to-morrow for New York. We are shipping goods by her; but, owing to the defective arrangements of the Post Office, we are unable to write by her, although she will be in New York at least as soon as the 'City of London,' which left Liverpool yesterday, and probably two or three days before the 'Australasian,' which is to leave Liverpool on the 12th instant. We consider it a public grievance that we are not allowed, through the caprices of your department, to avail ourselves of this opportunity. —We are your obedient servants, DAVID TAYLOR and SONS." As a matter of fact, we did succeed in sending our documents by the steamer, but we had to send them as a parcel in brown paper, and had to pay 5 *s.* for them.

19. Mr. *Talbot.*] You were not writing on behalf of other firms as well as your own?—No; on behalf of my own firm. We had to send it as a parcel and pay 5 *s.* instead of 6 *d.*

20. Mr. *Seely.*] Had the Cunard Company any subsidy for the boats they sent to Boston in 1868?—None at all. The history of those voyages is rather remarkable.

21. Did those boats which they sent to Boston, and which had no subsidy, call at Queenstown?—They did; there were 33 voyages made by the Cunard steamers in 1868 from Liverpool to Boston, calling at Queenstown without any subsidy, and carrying no mails except ship-letter mails; they were sent by the Cunard Company to Queenstown, I presume, for the same reason that other shipowners dispatched their vessels on voyages, because there was cargo and passengers to make it pay, without the inducement of a subsidy at all, or any money from the Post Office.

22. Supposing that Messrs. Cunard should object to take the mails unless they have a fixed subsidy, do you think there would be any difficulty in obtaining ships of other companies to perform the service equally well?—I am satisfied that there would be no difficulty at all; to begin with, the Post Office could always send letters as ship letters by the Cunard line when the vessels sailed; the fact of the Cunard ships having made voyages to Boston all through 1868 without any subsidy, and that other companies are sending steamers two or three times a week to the United States without any subsidy, would show that there would be an inducement for them to continue in the trade even without any subsidy at all; I have no doubt that a service can be arranged four times a week entirely irrespective of the Cunard line, but I should be extremely sorry to see that, because the six fast boats which we used to consider as the regular mail boats of the Cunard line are as fine boats as any afloat, and we should wish to see them employed in carrying mails, but we object to paying them for carrying the mails at a price entirely beyond the service performed; and, in the second place, to paying them a similar sum for the performance of the service by vessels notoriously incompetent to perform it with proper speed.

H. Taylor, Esq.

17 March 1869.

23. Can you speak to the speed of those 14 vessels of the Cunard line, which you alluded to as slow cargo boats?—I cannot; nobody can do that who has not the actual returns of their performances at the measured mile; they are notoriously nothing like as fast as what are known as the fast mail boats, and that clause in the new contract which stipulates that boats shall be employed which can perform not less than 12 knots at the measured mile would be a very proper and judicious clause, if it were not followed by the permission to the Cunard line to employ 14 boats of their present fleet, which in my belief could not perform 12 knots at the measured mile, and certainly cannot perform the voyage within one to two days of the time occupied by the fast mail boats; and in speaking of fast mail boats I include, not merely the six boats of the Cunard Company, but the five boats of the Inman fleet, the Hamburg fleet, and the Bremen fleet; in fact, it is rather a remarkable thing that the Cunard Company, having had a series of contracts for now nearly 30 years, have built no new boats lately at all, whilst Messrs. Inman, who have had no contract till this year, and the Hamburg Company and the Bremen Company have been building new boats faster, finer, and larger, from year to year, and are even building them now. The Cunard Company have built no new boats since the "Russia"; I have not the date at which she was built; I believe it was 1865 or 1866; the other boats are the "Scotia," built in 1862, the "Java," built in 1865, the "Australasian," built in 1857, the "Cuba," built in 1864, and the "China," built in 1862; those are the vessels with which they were running the mail line last year, being all old boats.

24. What is the practice of the United States with regard to the payment for letters carried to this country?—The United States never give a contract for more than one year, or two years at the outside, for the conveyance of mails to Europe for many years, and I believe at the present time, they require persons tendering for the conveyance of mails to send in a list of the steamers they propose to employ, and the passages those steamers have made across the Atlantic in the preceding year, and they select those that are the fastest and most capable of performing the voyage.

25. How do you know this?—I know it from having read the forms of contract as put out in the American newspapers; and I have also been informed of it by the agents of the steamers, and I see it is confirmed by some remarks that were made in page 33 of the Parliamentary Return, No. 42, of last year; in that return there is a letter from the Duke of Montrose to the Treasury containing this passage: "For the conveyance of those mails the United States Government are to provide, and it is to be supposed that they will continue the practice which they have followed for some time past, of taking up not every ship of a company working from New York, but such of the ships of that company as seem most likely to make a speedy voyage;" and you will find it further confirmed in page 48 of the same Return, in the proposals issued by the Post Office department at Washington, clause No. 4: "Bidders tendering steam ships which have been employed in the Transatlantic Mail service during the present year should transmit with their proposals, authentic statements of the actual time occupied by such steamships in performing each outward passage from the United States to the United Kingdom during the year 1867." At the present moment, the United States provides for the conveyance of mails from the United States to the United Kingdom; it pays for those mails only on the actual weight put on board each steamer, and the rate it pays is 15 cents currency, equal to about sixpence sterling per ounce, being only half the rate which our Government is now paying to the Bremen Company, and which it proposed to all the steamers. It actually has contracts at the present moment on those terms for the conveyance of mails by the steamers of the Hamburg Company, the Cunard Company, the Bremen Company, and the Inman line, so that, in fact, the Cunard and the Inman lines are at this moment conveying mails from New York at half the rate of sea postage, which was considered proper by our Post Office, and are demanding a large fixed subsidy from the English Post Office for the conveyance of mails the other way.

26. Can you refer to any page in that newspaper, from which you have first read an extract, which shows what the United States pay?—I cannot lay my hands on it at this moment; I have no doubt myself that if our Post Office were to put their foot down, as the Americans have done years ago, and say, "We will, under no circumstances, pay a fixed subsidy for the conveyance of mails to New York," the service would be equally well performed for the sea postage only;

only; and not only that, but there might be more frequent opportunities of conveying the mails to the United States. I am satisfied Mr. Inman would be perfectly prepared to run his steamers on those terms, because a great point which he makes is, that his vessels are as good as those of the Cunard Company, and whatever terms they are under he asks that he should be under also. With respect to the service of the Cunard Company by their slow cargo boats, which we all object to so much, because an exorbitant sum is paid for the performance of the service, I have myself this morning received a letter from Messrs. Guion, who are owners of steamships in Liverpool now running from Liverpool to New York, and which, I have no doubt, would perform the voyage in at least as short time as the slow cargo boats of the Cunard Company, offering to convey the mails weekly for the sum of 1 *d.* per ounce, being a twelfth of the sum our Post Office thought a proper sum to pay, and one-sixth of the sum which the United States Post Office are at this moment paying; this letter explains why Messrs. Guion did not tender for the contract in answer to the Government invitations last year; the letter is to this effect:—" Liverpool, 16th March 1869. Herbert Taylor, Esq., 61, Mark-lane, London.—Dear Sir, We are much obliged for your letter of 14th instant, as we quite agree with your views with regard to cheap Ocean postage. When the late Government, in October last, asked us to tender for the ensuing year, we were not in a position to do so, not having at that time a sufficient number of steamers afloat for a weekly service, but if we had had any idea that the tender was to be for eight years we would have undertaken it and been willing to pay forfeit for the two weekly sailings which we have missed this year; since then, however, we have launched two new boats, and are now fully prepared for a weekly departure from Queenstown. We shall be glad, as you say, to carry a mail for the sea postage, but we go even farther than this, and would be willing to inaugurate with our line a penny postage service. The average of our passages for the last year from Queenstown to the Battery, New York, is 12 days 14 hours and 36 minutes; and from the Battery, New York, to Queenstown, 10 days 13 hours and 24 minutes. The weather in the Atlantic, during the past winter, has been exceptionally severe, and we feel confident that in ordinary seasons we shall make a much better average to the westward.—We are, dear Sir, your's truly, GUION & Co."

27. You have spoken of the Cunard Company's boats leaving Queenstown on the Wednesday: do they invariably run their slow boats from Queenstown on the Wednesday?—No, we only wish they did; last year we had a Cunard fast boat always on Sunday from Queenstown and then we knew precisely where we were; this year, I presume, in consequence of complaint, I cannot say why, every now and then they take their fast boats off the Sunday line and put them on to the Wednesday line, so that we have to keep a very sharp look-out to know whether they are going to send a slow boat or a fast boat on the Sunday. If they send a fast boat on the Sunday we write our usual number of letters and forward them on the Saturday from London; if, on the other hand, they send a slow boat on the Sunday we simply write a smaller number of letters, probably 25 to 50 per cent. less than we usually write, and we keep back our mail to New York for the Bremen boat sailing from Southampton on Tuesday morning, and for the Cunard fast boat which, in that case, leaves Queenstown on Wednesday for Boston, and that, I know, is the practice of most other persons in the trade, and, of course, it interposes an element of uncertainty, which is a very great inconvenience; formerly, until this new contract was started, we had a fast boat of the Bremen Company leaving on Tuesday morning; we had a fast boat of Mr. Inman leaving on Thursday, and we had a fast boat of the Cunard Company leaving on Sunday; it did not signify what boat it was; they were all practically of about the same rate of speed, and we wrote letters for the first mail. Now we have to select the mails; and, if we find it is a slow cargo boat going on Sunday, we do not write by her, but if we find a fast boat is going on Sunday we do write by her.

28. *Chairman.*] The fast service you speak of was in 1867?—No, in 1868. On the 13th of February in the present year the Cunard Company sent from Queenstown on Sunday one of the best of their slow cargo boats called the " Samaria;" she left Liverpool on the 13th and arrived at New York on the evening of the 27th. On the 16th of February, three days afterwards, they dispatched from Liverpool one of their fast boats, and one of their best boats, the " Java," to

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Boston, and that boat arrived at Boston on the morning of the 27th; in fact, she reached Boston about 12 hours before their slow cargo boat, which left Liverpool three days before, arrived at New York.

29. Mr. *Seely*.] Are you taking Queenstown as the point of departure in both instances?—No, in both instances I am taking Liverpool. The same thing happened last Saturday; the steamer "Siberia" (which is a sister ship to the "Samaria," and probably one of the best of their cargo boats), left Liverpool on Saturday, and their fast steamer "Cuba" left Liverpool on Tuesday, the 16th of March, for Boston; the consequence was, we wrote very few letters indeed by the "Siberia;" I wrote with my own hand three letters only instead of 15 to 20 that I generally write, and I divided the remainder of the letters between the Bremen boat which left on Monday and the fast Cunard boat which left yesterday, the 16th.

30. Is it your opinion that we were better served by having those services you referred to in 1868 than we shall be now by the services of 1869?—Most unquestionably; in fact, the so-called three services now, the one service of the Messrs. Inman, and the two services of the Cunard Company, as far as the English mercantile public are concerned, are practically two services only, for the reason I have already explained; but the people who will suffer most are those on the Continent who send letters *viâ* England, which are bound to be sent forward by the first mail steamer leaving England after the arrival of the letters, and, consequently, those which reach England on the Tuesday will go forward by the slow Cunard boat on Wednesday from Queenstown, and in most cases will not reach America until after the arrival of the mail going by the vessel belonging to the Inman line, going on Thursday from Queenstown; that happened in one instance this year, and I believe there was a delay of something like 36 hours in the arrival of the mail.

31. Are you aware whether the different lines of steamers leaving the ports of this kingdom start invariably on a fixed day?—I believe they do; all that I know of.

32. I mean the large lines?—All the lines that I know; I could name five or six.

33. They start on a fixed day?—Yes, they start on a fixed day; all the lines also leaving Liverpool for the United States, with the exception of the Canadian line which calls at Londonderry, without exception, call at Queenstown, the reason being that Queenstown is a port where a large number of steerage passengers are collected; and it is therefore a great economy to those vessels which embark steerage passengers to call at Queenstown rather than have the expense of sending those passengers to Liverpool; and, in fact, it does not seem to be generally known that now the Cunard Company are also carrying emigrant passengers precisely the same as any other company by all their vessels, with the exception of a vessel which they send about once a month, and for which they charge extra fare, inasmuch as it carries first class passengers only. Both their fast mail steamers and the slow cargo steamers carry those passengers, in the same way as the Bremen Company, the Hamburg Company, and the Inman Company do. I believe in their advertisement they say a limited number; that I do not know anything about; I suppose practically they take as many as they can get.

34. Is it not to the interest of those different lines of steamers to go as quickly as they can?—I should suppose so; the object of the owners, of course, is to get rid of their passengers and cargo as soon as possible, so as to be able to make a fresh voyage; the fast steamers have an extra inducement to make quick voyages in the payment of extra freight.

35. Are not the fast steamers likely to get more passengers and more goods than the slow steamers?—They do as a matter of fact; I can give you an instance in my own case: In December 1867, I had occasion to go to New York, and there were three or four steamers leaving about the same time; there was the "Hammonia," of the Hamburg Company's line, the "City of Washington," of the Inman line, and there was the "Persia," of the Cunard Company's line. The "Hammonia" and the "City of Washington" left the same day, the "Hammonia" leaving Southampton, and the "City of Washington" leaving Liverpool, while the "Persia" left Liverpool three or four days afterwards. I was in a hurry to get to New York, and therefore I selected the fastest steamer, and I went by the "Hammonia"; my choice was justified, because while the "Hammonia"

"Hammonia" occupied 10½ days on the passage, the "City of Washington" took 16 days, and the "Persia" took 13 days; that I give as an illustration, showing that people look out for the fastest steamers by which to go; people go by the vessel which they learn by repute makes the fastest passages, and not merely because it belongs to this or the other line.

36. Supposing a mail packet arriving at a port in the United States should delay the delivery of the letters, have you any knowledge what the Post Office of the United States would do in such a case?—I cannot answer as regards the question of the mail packets, because the mail packets are always under special regulations in every country; but I can answer with regard to ship letters. The law of the United States is, that any vessel arriving with ship letters in a port of the United States where there is a post office, is bound under a penalty to deliver those letters to the Post Office before taking any other steps of any kind or description, and there is a considerable penalty imposed upon the captain if he does not do so; and, in fact, the collector requires a declaration, which, I suppose, would be the same as an oath to that effect. This is from the Act of the 18th Congress, Session 2, chapter 64, 1825; and it is again recognised in 38th Congress, Session 1, 1864, "No ship or vessel arriving at any port within the United States where a post office is established shall be permitted to report, make entry, or break bulk, until the master or commander shall have delivered to the postmaster all letters directed to any person or persons within the United States or the territories thereof," and the collector or officer of the port is to require a declaration that he has done so.

37. Mr. *Graves.*] I understand from you, that, in your impression, the sum now proposed to be paid to the Cunard Company for this service is very much in excess of the value of the service that would be performed by them?—That is my impression.

38. Have you any ground for stating that; have you any figures upon which you come to that conclusion?—I have none, except that I see Mr. Inman was paid 23,000 *l.* last year.

39. Are you aware what Mr. Inman realised on the Ocean Postage in the year previously?—I am not.

40. Are you aware that he realised more from the Ocean Postage than the other?—I do not know.

41. You are speaking merely from your impression?—That is all.

42. Can you tell the Committee whether the Hamburg Company offered to undertake any service from the British Government during the winter months in 1868?—I believe they did; I do not represent the Hamburg Company, therefore I cannot answer that question.

43. Are you aware that they refused to perform the service during the winter months unless they had an extra remuneration of 12,000 *l.*?—I do not know that.

44. You have alluded to the advantage to the mail steamers in calling at Queenstown for steerage passengers, and I think you pointed especially to the advantages which the Cunard Company enjoy; are you aware whether the boats calling there on Sundays do embark steerage passengers?—They advertise that they do.

45. Are you aware, in fact, whether they do or not?—I only know that they advertise to take them; and as they advertise to do so I assume, if I were to go as a steerage passenger, they would take me.

46. Are you aware that the emigration officers at Queenstown have refused on Sunday to allow clearances of steerage passengers in those vessels?—I cannot answer that question; I merely state that they carry steerage passengers according to their own advertisement.

47. Mr. *Hamilton.*] Are you aware whether there is any provision for sorting those letters on those unsubsidised boats?—I do not know whether there is or not; but I believe, as a matter of fact, the letters are not sorted on any of the boats.

48. Have you looked at the contract with the Cunard Company?—Yes.

49. Do not you observe that in that contract the company is bound to provide a sorting room?—Yes; but I believe the sorting is not done on board. I observe also another clause in the contract which is practically of no avail, but which is a clause which, probably unknown to the officials of the Post Office, puts a sum of 500 *l.* or 600 *l.* into the pockets of the contractors when they

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convey mail officers, beyond what the same companies would receive for first-class passengers going by their first-class boats. The clause is nugatory, because I am informed that the Post Office sends no officer by the boats; but if the Post Office were to send an official by the "Siberia" for instance, to New York for the purpose of sorting the mail last Saturday, and I had gone as a first-class passenger by the same steamer, the Post Office would have paid 4 *l.* more for the passage of that officer than I should have paid, we each sitting at the same table and having the same accommodation.

50. The subsidy proposed to be paid to the Cunard Company is 70,000 *l.* a year?—Yes.

51. You told the Committee that you consider that this Government pays a very high price per ounce upon letters; that it is larger than the 15 cents per ounce that the United States pay, and that it was about six times as large as a private firm would do it for?—Yes.

52. Can you tell the Committee about how much that 70,000 *l.* represents per ounce?—I cannot; that includes not only letters at a shilling an ounce, but newspapers and parcels at so much per pound. I cannot get at those details.

53. Is it your opinion that, if there were no subsidized service, there would be a more frequent service than there is now to America?—Exactly; in the way you put the question, it is difficult to answer it; if there were no subsidized service, I presume the alternative would be that letters would be sent by the Post Office by every steamer leaving any port in the United Kingdom for the United States according as the writers of letters might mark those letters with the name of the steamer by which they wished them to be sent; if you mean that, there would be unquestionably more services, because at this moment there are many more lines of steamers leaving ports in the United Kingdom for the United States than carry mails. At this moment there are only four lines of steamers, excluding the Canadian line, that go throughout the year direct from a British port to ports in the United States, that is to say, the Bremen line, the two services of the Cunard line, and the one service of the Inman line; but there are also the steamers of the National Company which are comparatively slow; the steamers of Guion and Company which are not amongst the fast steamers, but which are faster than the slow steamers of Cunard: there are also the steamers of the Glasgow Company which run from Glasgow to New York, not touching at Queenstown, but at Moville or Londonderry, and which also occasionally run to Boston, therefore if there were no subsidy we should have a larger number of services, because we should be able to select which steamers we should send our letters by.

54. You think then that the stopping of all subsidies to steamers would, on the whole, be a gain to the commercial public?—I think so; as a matter of fact, the largest number of first class steamers crossing the Atlantic are those built and owned by companies which have never received a half-penny of fixed subsidy since they are were started. The only company that has received such a fixed subsidy is the Cunard Company, who own six first-class steamers; we have, on the other hand, Mr. Inman, who owns seven or eight; we have the Hamburg Company, which owns six or seven; and we have the Bremen Company, which owns some eight or ten; therefore we have a fleet of twenty, or twenty-five first class steamers, which have been built without the assistance of any subsidy at all.

55. Is it or not the fact that, as to those six first-class steamers owned by the Cunard Company, they have the preference with the commercial public?—Certainly not.

56. You do not think they have?—No; since the month of November last, the Cunard Company have advertised that all their steamers, with the exception of one about once a month, will carry emigrant passengers; that has, no doubt, tended to cause some preference in favour of those steamers of the Cunard Company which do not carry emigrants; I do not know that it is on account of the vessels being better, or faster, or more comfortable vessels, but simply that people, if they can afford it, will always rather go in a vessel that does not carry emigrants, than in a vessel which does carry them.

57. I am not speaking of preference as regards the conveyance of passengers, but as regards the conveyance of the mails; take a first-class vessel unsubsidized, starting on the same day as a first-class subsidized vessel belonging to the Cunard

Cunard Company, would the commercial public prefer that their letters should go by the Cunard vessel to their going by the unsubsidised vessel of the other company?—It would depend upon which unsubsidised vessel was going, and which vessel of the Cunard Company was going; if the "City of Paris," belonging to the Inman line, was going, and any steamer of the Cunard line was going, it would be perfectly equal. If the "City of Paris" was going, and the "Cuba," or the "China," or the "Java," was going, my impression is that the commercial public would prefer the "City of Paris." In the same way if the "Westphalia," belonging to the Hamburg American line, was going, I myself should certainly write by the "Westphalia," in preference to either of the Cunard boats. Again, if the "Holsatia" were going, I should also write by the "Holsatia" in preference to either of the Cunard boats. If the "Hammonia," belonging to the Hamburg Company, were going, and the "Russia" or "Scotia," belonging to the Cunard Company, were going, I should write by the Cunard boat; if the "Java," "Cuba," or "China" were going, I should probably write by the Hamburg line, I should not much care which; I always endeavour to select a fast boat rather than a slow boat; we all of us watch the performances of those vessels; merchants say one to another, such and such a vessel performed the voyage in such a time the other day; our attention is thoroughly drawn to the subject in that way, and whenever we have the opportunity we send by those vessels which we consider to be the fastest.

58. Are the letters which arrive by some of the unsubsidised boats delivered as rapidly as they are if they arrive by the Cunard boats?—I cannot answer that question, because no letters are sent by unsubsidised boats.

59. I mean letters arriving here?—No mails are conveyed from the United States, except in vessels under contract with the United States Government; the United States Government gives no subsidy; but it has a contract with the vessels to carry letters on their terms.

60. My question has reference to sorting letters on board. Is not there more delay in the case of an unsubsidised vessel than in the case of a subsidised one; I do not call a vessel paid by sea postage a subsidised vessel; is not it your experience that there is more delay in the delivery of letters by one of the unsubsidised vessels than by a subsidised vessel?—There are no subsidised vessels that bring the mails from the United States. The Cunard Company, in the conveyance of mails from the United States, is not a subsidised Company. The contracts under consideration apply merely to the conveyance of mails from England to the United States. The British Government has no contract for the conveyance of mails from the United States to England. The Cunard Company, as regards letters between the United States and England, is in the same boat with the other companies; they are paid for the weight they carry, just the same as the Bremen Company, the Hamburg Company, and Mr. Inman.

61. For the voyage home they are all on the same footing?—Yes; none are subsidised on the voyage home.

61*. Mr. *Greaves*.] As to your statement with respect to the extra charge for the officer on board the steamer, I see the Cunard Company charge 26 *l*., Mr. Inman 26 *l*., and the North German Lloyd's charge 33 *l*.?—The 33 *l*. is out and home. At page 13 of the Parliamentary Paper containing the contracts with Messrs. Cunard and Company, Mr. Inman, and the North German Lloyd's, the contract is given under which the North German Lloyd's is running, clause 10 of which is, "That the contractors shall provide suitable accommodation and victualling for the officers employed in the service of the Postmaster General, as aforesaid, either as chief-cabin passengers, or as fore-cabin passengers at the option of the said Postmaster General, and the Postmaster General shall pay to the contractors, by way of passage money for the accommodation and victualling of each such officer, in respect of every voyage between Southampton and New York and back, the sum of 33 *l*. for every such officer who shall be treated as a chief-cabin passenger, and the sum of 22 *l*. for every such officer who shall be treated as a fore-cabin passenger." Then this is the contract with the Cunard Company: "The Contractors shall also, in the case of the vessel leaving Liverpool every Saturday for New York, provide suitable accommodation and victualling for the officers employed to sort and make up the said mails, either as chief-cabin passengers or fore-cabin passengers, at the option of the said Postmaster General, and the Postmaster

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General shall pay to the contractors by way of passage money for the accommodation and victualling of each such officer in respect of every voyage in either direction between Liverpool or Queenstown and New York the sum of 26 *l.* for every such officer who shall be treated as a chief cabin passenger, and the sum of 18 *l.* for every such officer who shall be treated as a fore-cabin passenger;" so that whereas I pay 21 guineas as a first-class passenger the Post Office pay 26 *l.*, the effect of which is to give a gain of at least 500 *l.* to the contractors beyond what they would get for carrying the same person as an ordinary first-class cabin passenger.

62. Mr. *Seely.*] Is the ordinary fare for a first-class passenger by the Cunard line 21 guineas?—Yes, by those vessels which carry emigrants, and 26 *l.* by those which do not.

63. *Chairman.*] Does that fare for the mail agent include any accommodation or provision that is not given to an ordinary first-class passenger?—Not to my knowledge; it does not say so.

64. As I understand it, the gist of your evidence is this: you would not pay any fixed subsidy to any company?—No.

65. You would pay so much per ounce on the matter carried by the Post Office?—Yes.

66. The great object is, I suppose, to have regular sailings and regular despatches of your letters, and that they should be as speedy as possible?—Yes.

67. You stated that there are other companies receiving no subsidy sending regular steamers; what companies are there to your knowledge now which would be prepared to perform the mail service efficiently?—The Cunard Company would be one, Mr. Inman's another, the Hamburg a third, and the Bremen Company a fourth; by that means we should have a faster conveyance of the mails than now.

68. Two would sail from Queenstown and two from Southampton?—That might be a matter of arrangement.

69. Are you aware that the North German Lloyd's and the Hamburg Company object to calling at Queenstown on account of the danger of crossing the great line of traffic?—The North German Lloyd's do; the Hamburg Company may have done so; but the Hamburg Company is now prepared to carry the mail from Queenstown.

70. Are you aware that they demand a longer period for their passage than is specified in the proposed tender?—When you talk of the length of passage you must state whether you mean from Queenstown or from Southampton, because there is a difference of 24 hours between the two.

71. Are you aware that the contracts with the Cunard boats include other matters besides the carrying of letters; are there not certain conditions as to carrying officers of the army?—I believe so; but I believe they are practically of no avail.

72. Are not there also certain conditions as to the use of the vessels in time of war?—Yes; but I take it that those conditions are of no practical consequence whatever.

Pearson Hill, Esq., called in; and Examined.

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73. Mr. *Seely.*] You are the son of Sir Rowland Hill?—I am.

74. How long have you been in the Post Office?—About 19 years.

75. In the Secretary's office?—In the Secretary's office.

76. Have you, in that capacity, had much experience in dealing with statistics?—Nearly the whole of the time I have been in the Post Office; at all events, during the first 13 or 14 years whilst Sir Rowland Hill was Secretary, every important Return prepared by the Post Office had to be checked by me.

77. Have you seen the statement that, on letters conveyed from Ireland to New York, *viâ* Queenstown, as compared with Southampton, the saving would be 48 hours; from Scotland 38 hours, and from the manufacturing districts of England, and from London, 18 to 24 hours?—I have seen that statement.

78. Are

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78. Are you prepared to give the Committee any information with respect to what you believe to be the difference of time?—I am. I find—taking Great Britain first of all—that a letter posted at any town in Great Britain (exclusive for the moment of London and Southampton) will reach Queenstown and Southampton practically at the same time; therefore, as regards the land portion of the service, which I will deal with first, there is no loss of time, so far as Great Britain is concerned, in choosing Southampton as the port of departure rather than Queenstown. London would gain about 12 hours. That is to say, if you have two vessels sailing the same afternoon, one from Southampton and one from Queenstown, London can send a letter 12 hours later by the Southampton boat than it can by the Queenstown boat. Of course Southampton itself gains 24 hours. Then, as regards Ireland, I find that in Dublin a letter must be posted about 12 hours earlier to catch the Southampton boat than to catch the Queenstown boat, therefore on the land service Dublin loses 12 hours; but I find, as regards the provincial parts of Ireland, taking Belfast for example, the loss to Belfast is only about seven hours. If a letter is posted by the mail leaving Belfast at 2.55 in the afternoon, it would catch the Southampton boat; if it were despatched by the mail leaving at half-past nine at night, it would catch the Queenstown boat; therefore in Belfast a letter need be posted only six-and-a-half hours earlier to catch the Southampton boat. Cork is in the same corresponding position with Southampton. Cork would lose about 24 hours, if the port of departure were made Southampton. So much for the inland service. Then with regard to the sea service; the greater distance from Southampton to New York, as compared with the distance from Queenstown to New York, is, of course, only one element in the calculation. You must look to the speed of the different packets that run from these ports. I find from a Return furnished to Mr. Seely by the Post Office, and which is therefore authentic information, that taking 21 voyages that have been performed in the present year, there have been five voyages by the North German Lloyd's from Southampton, five by Cunard's cargo boats, five by the Inman boats, and six by the Cunard quick line of packets——

79. *Chairman.*] Those are passages during the present year?—Yes. It may perhaps be urged that that is too short a period to select for the calculation; but on the other hand it is the only period we have during which we can see how the service from Queenstown is performed when there are no penalties for delay, for it is only this year that the penalties have been abolished. I find that the length of passage by the North German Lloyd's vessels from Southampton is, on the average, 12 days and a half, disregarding minutes; the Cunard quick boats from Queenstown performed the voyage in 11 days 18 hours; the Inman boats, which are next in speed, took 13 days and one hour, and the cargo boats occupied 13 days 11 hours; I find, taking the average of the voyages from Queenstown, slow and fast, that the voyages from Southampton, which are performed in 12 days and 12 hours, only occupy three hours more than the voyages from Queenstown.

80. Will you give us the average of the Queenstown voyages?—The average of the Queenstown voyages, slow and fast, is about 12 days 9 hours, that is the average of the three Queenstown services. Going back, therefore, to the question of the delay caused to correspondence by adopting the Southampton route, Great Britain, judging from the experience of this year, loses only three hours, instead of 18 to 36; London gains about nine hours instead of 12; Southampton we may perhaps leave out of consideration, that gains 21 hours; and Ireland may be put down as losing about 10 hours. But I find if you carry the comparison a step further and compare the Cunard cargo boats, which it is proposed that the Post Office should use permanently, with the North German Lloyd's, which it is proposed should be discontinued, that the North German Lloyd's perform the voyage in a day less time than the slow cargo boats, so that by employing the Cunard slow cargo line instead of the North German Lloyd's, the correspondence of Great Britain is delayed about 24 hours, and that of Ireland about 12 hours.

81. Will you hand in that Return furnished to me by the Post Office?—(*The same was handed in.*)

Vide Appendix.

Witness.] With regard to the Cunard cargo boats, I may say, I have here a Return I have prepared, from the telegraphic news of the arrivals of the vessels

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at New York since the beginning of the year; it is not quite such authentic information as that furnished in the other Return; but, so far as the other Return goes, I have compared it against the information given in the public papers, and I find, practically, that the statements agree. Taking the number of voyages that have been made by the Cunard Company's Wednesday's boats (they are generally slow boats, but now and then they run a swift vessel), I find there have been eight trips performed since the beginning of the year; I should say the Wednesday's boats go to Boston; though the great mass of the correspondence is for New York and places in the neighbourhood. (*The Witness handed in the Return.*)

Vide Appendix.

82. *Chairman.*] To go back for a moment to the other Return of the 21 voyages, the time given in that Return as the time of the termination of the passage of the five cargo boats is the time of the delivery of the letters in Boston?—Yes; there would be a delay beyond that for New York.

83. According to that Return the Cunard cargo boats take 13 days 11 hours to Boston?—Yes.

84. But the arrivals of the others are given to New York?—Yes.

85. You ought therefore to add to the time taken by the Cunard cargo boats the time that it would take to New York from Boston?—Yes; it would be rather difficult to get information as to what that extra time would be, because it would depend upon the actual hour the Boston boat reached Boston. There are, I am told, only two trains a-day from Boston to New York.

86. Suppose you allow an average time between Boston and New York, you might put that time on?—Taking the distance from Boston to New York, the disadvantages to the United Kingdom of using Southampton as a port are about six hours less than I have stated, comparing the services of the North German Lloyd's with the services of the Cunard cargo boats.

87. Mr. *Hamilton.*] Or, putting it in another way, the disadvantage of using the Cunard cargo boats is six hours greater?—Yes.

88. *Chairman.*] You take six hours for the distance between Boston and New York?—I am not sure of the time occupied; I am told by some that it is six hours, and I am told by others that it is 12; I take the smaller number. Going back to the question about the Cunard cargo boats, I find that since the commencement of the year there have been eight Wednesday trips, of which I have the arrivals recorded. In seven of those cases, the mails for New York, sent by the Cunard cargo boats, have been overtaken by vessels carrying mails sailing later, in some cases by the Inman boat, which sails one day later, and in others by the Hamburg American boat, which sails two days later. I should explain that the Hamburg American boats do not call now at Southampton, therefore no English mails are sent by them; but I have ascertained from the Hamburg American Company that if they had the mails they would call at Southampton again; in that case they would not call at Havre, and therefore their arrival at New York would be the same as it now is.

89. You speak of the Hamburg American boats overtaking the cargo boats, but the Hamburg American boats do not touch in England?—I take it as if the Hamburg American boats still carried the mails from us; they leave Hamburg at the same time that they used to do, therefore they would pass our shores at the same time as before; I take their actual arrival at New York; they would not be delayed by calling at Southampton, because they would give up calling at Havre.

90. Mr. *Seely.*] Can you tell us, as a fact, that letters are not sorted on board?—They are not sorted on board.

91. Are they sorted on the railway?—They are sorted on the railway instead of on board; the sorting on board has been abolished since the 1st of January.

92. In a Return furnished me by the Postmaster General, I think it is stated that the sea postage would amount to 101,700*l.*?—It was so stated.

93. Will you read my question to the Postmaster General?—This was the question: "I should like to know, if you could inform me, the total amount which the Post Office received in 1868 for sea postage to the United States; this of course is exclusive of the inland postage, here and in the United States."

94. What is the answer given to me by the Postmaster General?—"The British share of the entire sea postage is estimated at about 101,700*l.*"

95. Can you give the Committee any information as to what the total sea postage

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postage by the several lines of steamers amounted to in the year 1868?—I have here a Return, which I will put in, signed by the Receiver and Accountant General of the Post Office, showing the amount of sea postage on the mails carried by the different lines of steamers that ran from here to the United States in the year 1868. It appears that the total sea postage on the mails which the Cunard Company carried to the United States amounted to 28,686 *l.*, call it 29,000 *l.* On those by the Inman packets the sea postage was 23,390 *l.*; on those by the North German Lloyd's, 11,772 *l.*; and on those by the Hamburg American Company, which performed the service for only 10 months of the year, 5,157 *l.*; so that the total sea postage, according to this Return from the Post Office, instead of amounting to 101,000 *l.*, amounted to less than 70,000 *l.*—(*The Return was handed in.*)

Vide Appendix.

96. *Chairman.*] How do you account for that discrepancy?—This Return is calculated, I find, on a somewhat different basis to the calculation which was made when Mr. Seely had that information given to him; the amount of sea postage on the mails has been estimated by the British Post Office as being 1*s.* per ounce, that is outwards; I should tell you that, of the total postage of 6*d.* charged on a single letter to the United States, 4*d.* is the sea postage, that is two-thirds of the amount, 1*d.* is for the inland service at this end, and the other 1*d.* for the inland service at the other end. This table has been calculated at those rates, and the figures are sufficiently accurate to give the information within perhaps five or ten per cent. Finding a very great difference between those two statements, a difference of more than 30,000*l.*, or about 40 per cent., I have endeavoured to ascertain the manner in which that former calculation was made; I happened yesterday to have some conversation with the gentleman at the Post Office who made that calculation of the 101,000 *l.*, and in talking over the matter with him I found many errors of principle in the basis which he had adopted, and perhaps I had better explain to the Committee one or two of those errors. I understand that under a convention with France we receive 1*s.* 4*d.* per ounce on letters sent by France through this country to the United States. Under the same convention or under another convention with the French Post Office, we are bound to charge no more that 1 *s.* per ounce for the sea service on the mails that are sent, that leaves 4 *d.* for the inland service, but by a convention recently entered into with America it has been agreed that we shall not charge 4 *d.* for the inland transit service, but that we shall charge only $1\frac{1}{4}$ *d.*, per oz. This gentleman, in making the calculation, had first ascertained the gross postage by taking the mail the 1*s.* 4*d.* per oz., he had then deducted the $1\frac{1}{4}$ *d.*, and put the whole 1*s.* $2\frac{3}{4}$ *d.* down as sea postage. The sea postage is limited by the convention to 1*s.* and the inland rate to $1\frac{1}{4}$ *d.*, therefore there is a waif and stray of $2\frac{3}{4}$ *d.* which does not belong to the inland, but certainly does not belong to the sea postage, because it is specially excluded from it by the convention, and by this error the amount of sea postage on the French closed mails passing through this country has been over-estimated by about 25 per cent. I find also that this gentleman has made a yet greater error in the calculation of what was the British inland share of the postage. I should add that he was unwell at the time I spoke to him. I know he has been very hard worked, and I daresay if he looks at his calculations he may find that he has misled me a little, quite unintentionally, but still the effect would be very much the same. Out of the 6*d.* for the postage of letters between this country and America, 2*d.* is for the inland service, and 4*d.* is for the sea service; letters to the United States average about 3 or $3\frac{1}{2}$ to the ounce; therefore the inland postage on an ounce of mail matter to the United States is about three times 2*d.*—that is 6*d.*—or, if we take $3\frac{1}{2}$ letters to the ounce, it would be 7*d.*, but this gentleman told Mr. Frederic Hill and me that he had deducted from the gross amount of postage on these mails only $1\frac{1}{4}d.$ an ounce for the British inland rate, or only a sixth part of what he ought to have deducted; it may, as I said, turn out, that when he looks into his figures again, he will find that he misled us in some matters; but there is other evidence on this point. In the letter from the Duke of Montrose to the Commissioners of the Treasury, dated the 12th of October, and which is to be found in the Return No. 77, published to-day, this paragraph occurs: "The total amount of the subsidies, 105,000 *l.* a year, will doubtless be more than covered by the postage collected on the correspondence conveyed, which is estimated at 112,000*l.*, and although this is the whole postage, and not the sea postage only, I think that

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the whole may be fairly applied towards the maintenance of a mail communication of such an important character." I have explained to the Committee that one-third of the postage on international letters is the inland rate, therefore two-thirds is the sea rate, and, according to this statement of the Post Office itself, the sea postage on the whole of the mails conveyed to the United States cannot much exceed 75,000 *l.* a year.

97. With those two Returns, the one in the gross and the other in detail, we may strike out the 101,000 *l.* as illusory?—It is quite wrong.

98. The statement with reference to 75,000 *l.* is based upon correct data?—I believe it to be based upon correct data; but, at all events, that is the only result you can get from data given by the Post Office itself.

99. Mr. *Hamilton.*] In the Return you have handed in, you make the return 69,000 *l.*,; you now jump up to 75,000 *l.*?—I said that estimate of 69,000 *l.* was arrived at by taking the letters at a shilling an ounce; that was a rough way of calculating it; it is the way we adopt in paying the contractors, and therefore the Post Office can hardly say it is very inaccurate; it gives the amount within about five or ten per cent.

100. You think 75,000 *l.* is about a fair estimate?—Yes; and I would point out this also, with reference to the statement that the Cunard and Inman services would be self-supporting, that if these services are to be paid for at the rate of 105,000 *l.* a year, and we only have 75,000 *l.* to meet the cost, it is obvious that there will be a loss of 30,000 *l.* per annum, even if the Cunard and Inman Companies carry the whole of the mails between England and the United States; but as the North German Lloyd's carry about one-sixth of the whole, instead of there being 75,000 *l.* or 80,000 *l.* to pay the Cunard and Inman, there will be at the outside only about 67,000 *l.* to pay them; so that the loss, if these contracts be ratified, will be nearly 40,000 *l.* a year, even if no other boats be employed than those of the four lines which are now running. The Post Office, in dealing with this matter, endeavoured to confine the service to the three lines from Queenstown; but public pressure was put upon them, and they were compelled to give a contract to the North German Lloyd's. They will, before long, I am certain, be compelled to give it to the Hamburg American Company. Every additional line of steam communication that is opened, carrying mails between this country and the United States, will take something from the postage which will be applicable to the Cunard and Inman services, and therefore the loss will be all the greater upon those services.

101. *Chairman.*] Which were the three lines to which they wished to confine their contracts?—The two Cunard lines and the Inman. At all events, if we can at present confine the services to those now under contract, it is impossible to suppose we can bind ourselves for eight years not to employ other services than the three from Queenstown.

102. Mr. *Seely.*] Can you give the Committee any information as to the rates which are paid by the United States Government for the conveyance of letters from the United States to this country?—The United States Post Office pays the Steam Packet Companies 15 cents currency per ounce, that is about 6 *d.* sterling per ounce, or just half the rate that we pay when we pay only the sea postage.

103. Then, if we pay 105,000 *l.* and receive only about from 70,000 *l.* to 75,000 *l.*, the United States would get their correspondence conveyed to this country for about one-third, in round numbers, of what we should pay?—It would be so; 1 *s.* per ounce amounts, as I say, to about 70,000 *l.*, therefore, 6 *d.* the ounce would be about 35,000 *l.*, and we are to pay three times that amount.

104. Mr. *Graves.*] May I ask you what position you occupy in the Post Office?—I am in the secretary's office; I am private secretary to Mr. Frederic Hill.

105. May the Committee understand that the views which you have to-day expressed are the views entertained by the Post Office at present?—They are the views entertained by Mr. Frederic Hill, who had for a long time the management of the packet service in his hands, and who, as my official superior, instructed me to assist him in investigating this case. He is strongly opposed to these contracts. The opinion of the Postmaster General and of the other secretaries would probably be best obtained by inviting them to give evidence; I simply give you facts, the conclusion to be drawn from those facts the Committee itself can easily arrive at.

106. Then

106. Then there is a difference of opinion existing between the secretaries at the Post Office upon the subject of these contracts?—A very strong difference of opinion.

107. You say you are in the secretary's office; Mr. Tilley is the secretary, is he not?—Yes; Mr. Tilley is the secretary.

108. Did Mr. Tilley in any way remonstrate against the acceptance of these contracts, or did he approve of them?—I believe he approved of them entirely.

109. By these papers, I perceive that tenders were advertised for in September, upon the principle of an ocean postage?—They were so.

110. Will you tell the Committee what the response was to that advertisement for tenders?—The Post Office had no tender whatever in the exact form that they wanted.

111. Can you enumerate the tenders, and specify the difference between them?—The Hamburg American Company and the North German Lloyd's tendered.

112. I see that they are distinct tenders, perhaps you will take them differently?—Yes.

113. Be good enough to go on with the distinction, if you can?—I can only state the general distinction between them. I say that the Post Office had no tender in the exact form they wanted. The two German companies wished to call at Southampton. The Cunard and Inman Companies refused to accept the sea postage; they stipulated for a fixed payment, and refused to be bound to any time whatever for the voyage, or to any penalties whatever if they delayed the voyage to any extent.

114. Did the Hamburg American Steam Packet Company make any exception as regards months in their tender?—They did.

115. Which months were they?—In the winter months they were not prepared to perform the double service unless they received higher payment.

116. What was that higher payment?—I believe it was about 12,000 *l.* a-year, speaking from recollection.

117. Was that for a weekly or fortnightly service?—I can again only speak from recollection, for these matters are not in my department.

118. Mr. *Hamilton.*] Who is at the head of the contract department?—Mr. William Page, one of the assistant under secretaries. Perhaps it may be practicable to explain to the Committee how it was, in all probability, that the Post Office got no tender in the form they wanted.

119. Mr. *Seely.*] Would not Mr. Frederick Hill bring that out when he is called?—I daresay he would.

120. Mr. *Graves.*] Who is the gentleman who has the immediate superintendence of these tenders?—Mr. Tilley. I should like to explain, if the Committee have no objection, a circumstance which in all probability shows how it was that the Post Office got no tender in the form they wanted.

121. *Chairman.*] You had nothing to do with the issue of these tenders, had you?—I had nothing to do with the issue of them.

122. And nothing to do with the receipt of them?—Nothing whatever.

123. Mr. *Graves.*] You have taken exception, apparently, to the Returns which have been made by the Receiver and Accountant General with regard to the postage revenue?—I have compared one of his statements with another, and shown that they do not agree.

124. Is this officer an official connected with the Post Office?—He is; he is the officer in whose department it is to prepare these returns.

125. And we can have the pleasure of examining him, I presume?—I presume so.

126. From what large centres of population in this country is the bulk of the correspondence with the United States carried on; I mean in what towns does it originate?—I have prepared no information of that kind; and I should have some difficulty in getting it; I believe it is the fact that the letters for London form a very large proportion of the whole, and I presume that the letters for London, Liverpool and Manchester, and the manufacturing districts, would form the very large mass of the mail. The Irish letters, also, are considerable; these are probably from the families of emigrants.

127. You have alluded to London, Liverpool, and Manchester?—Yes.

128. Do you consider that Glasgow has a large share in the correspondence?—Undoubtedly.

129. Do you consider that Birmingham also has a large share?—Undoubtedly;

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doubtedly; I am merely giving general opinions upon this point; I have no returns.

130. Would you consider that Leeds has any large share of the correspondence?—Leeds is a large town, and I presume has large correspondence with America, but I know nothing of the facts about it.

131. Belfast also, I presume, you would consider has some large share in the Irish portion of the correspondence?—I have no doubt it has; I have no evidence of the fact.

132. Would it not be possible for us to have a Return showing the precise time that the correspondence from these large towns took to reach New York from post office to post office, and the same back again from New York to those large towns, *viâ* Southampton and *viâ* Queenstown?—It is, undoubtedly, practicable for the Committee to call for that Return.

133. What I want is the number of days and hours that the bulk of our correspondence takes to go from post offices in England to post offices in New York, and the same returning *viâ* Southampton and *viâ* Queenstown. Then we shall get at a glance the actual time occupied, and see whether any one route has a preference or advantage over the other?—But it would depend very much on how that Return was prepared for you; whether it would show the facts as they ought to be shown. I will give an example: I will take the case of Belfast; the night mail from Belfast leaves about half-past nine; a letter posted by it will catch the mail leaving Queenstown next day; but supposing a letter is posted at the same time to go *viâ* Southampton it will not reach Southampton till about 24 hours afterwards; therefore it would appear that the time occupied by a letter going from Belfast to Southampton is 24 hours longer than that occupied by a letter going from Belfast to Queenstown; but there is a mid-day mail that leaves Belfast at 2.55 in the afternoon; and if a letter from Belfast is posted to catch that mail it suffers no delay by being sent to Southampton. Now, a Return made upon the first plan I stated, would show that there is a delay of 24 hours, whereas the real facts are these, that a letter need be posted only about six hours and a half earlier to go *viâ* Southampton.

134. There would be no difficulty in getting such a Return as I desire to have, would there?—There would be no difficulty in getting such a Return, if it were exactly explained what was the precise form in which the Committee desired it to be made out.

135. *Chairman.*] I understand the honourable Member to wish for a Return of the shortest time that it would take a letter to go from Belfast to New York *viâ* Queenstown and the same *viâ* Southampton, as the mails arrive?—Yes. Then again a very important question would be, what time you propose to allow for the sea service. If you take the distance as so many nautical miles from one port to the other, and make the calculation on the assumption that the vessels run 12 knots an hour, it would be misleading, because the quicker vessels go from Southampton.

136. Mr. *Graves.*] I am afraid I did not make myself intelligible to you. You are now able to tell what time a letter leaves Belfast, and arrives in London?—Yes.

137. And you are also able to tell what time a letter leaves Glasgow, and arrives in London?—Yes.

138. What I desire to have is a simple Return as to the time when those mails leave those large towns and arrive in New York, and *vice versâ*?—Yes.

139. Taking some months together, say 12 months, which would enable us to see in practice the simple facts of the times of arrival and departure without any of these questions of intermediate mails or sea tariff?—Yes. Would it not be better to confine it to the present year, because this year is the only time that we have had both the Cunard and Inman lines running without a penalty for delay; and therefore this only year gives an indication of how the contracts would be performed, if confirmed. You ought not to take the working of a line under penalties as evidence of how the service would be performed when it was not under penalties.

140. I think you have given the average of the sea passages between Southampton and New York, and between Queenstown and New York?—Yes.

141. The average, I think, you make out to be, for the "North German Lloyd's,"

Lloyd's," 12 days 12 hours, and the average of the whole of the Cunard and Inman passages, from Queenstown, 12 days 9 hours?—About that, disregarding minutes.

142. Have you any comparison or contrast of any passages from this country to America, made by any other company during those months?—I have not made any comparison such as you describe.

143. May I ask, why do you designate one portion of the service performed by Messrs. Cunard as a cargo service?—The boats are popularly known as the cargo boats, at least so I have heard, and I show that they are slow; it does not much matter what they are called, I think.

144. Are you aware of any other line being as fast as that running across the Atlantic besides those which you have enumerated?—The Hamburg American Company's boats are certainly faster than the average of the Cunard boats, fast and slow, and I believe they run the Cunard fast boats very hard.

145. Can you specify the names of those Cunard boats which you consider so slow?—I will give the names and the voyages of these cargo boats, if the Committee desire it; I had better give the vessels in order; I find that the "Tripoli," leaving Queenstown the 6th of January, performed the passage in about 12 days and one hour.

146. Are you giving all the Tuesday's boats?—Yes; I am giving all the cargo boats in succession. The "Tripoli" performed that voyage in about 12 days one hour by the Post Office table. I should state that this table is wrong to the extent of about four hours, because nothing has been allowed for the difference of longitude, but of course that would tell equally against the Southampton boats; therefore we may disregard it in the comparison. The first cargo boat made the voyage in 12 days; it was overtaken by the Inman's boat, which did it in about 10.

147. Are you naming the vessels?—Yes; the "Tripoli" was 12 days.

148. *Chairman.*] Give us the vessels and the time of their passages, that is what the honourable Member has asked you for?—This table gives them.

149. Mr. *Talbot.*] Do you say that some are worse than others?—Yes, certainly. The "Tripoli," leaving Queenstown on the 6th of January, performed the passage in 12 days; the "Palmyra," leaving on the 13th, took 14 days 23 hours, that is about 15 days for the voyage. The "Hecla," leaving on the 20th, took 15 days 16 hours, that is nearly 16 days. The "Siberia," leaving on 27th, did it in 11 days 18 hours. The "Aleppo," leaving on the 3rd of February, occupied 12 days 22½ hours, or about 13 days. I must now refer to my paper, where I have obtained the arrivals from the telegraphic information, as the Post Office table stops there. The "Tarifa," leaving on the 10th of February, reached Boston on the 24th, that was 14 days. Then comes the "Java," a quick boat that was put on, but we must not take her voyage as we are talking of cargo boats.

150. Mr. *Graves.*] We will take that, if you please, as we are talking of the Tuesday boats?—The "Java", one of the quick line, leaving on the 17th of February, reached Boston on the 27th, that is about 10 days, overtaking the Cunard vessel which left Queenstown the previous Sunday; and the "Tripoli," which left on the 24th of February, reached Boston on the 10th of March; that would be 14 days.

151. I think you have said that the North German Lloyd's carry about one-sixth of the correspondence with the United States?—The table of the Receiver and Accountant General shows that they do.

152. That is the boat sailing on the Tuesday?—Sailing on the Tuesday.

153. Supposing that there was an equally efficient vessel sailing from Queenstown on the Wednesday, would there be any great advantage in continuing that service from Southampton on the Tuesday?—Probably there would not be much advantage, but I have not considered the matter sufficiently—the question being put to me now for the first time—to be able to say whether some portions of the United Kingdom would not gain. London would obviously gain twelve hours by the continuance of Tuesday's line from Southampton.

154. Perhaps you would answer, as a matter of fact, whether the Treasury instructed the Post Office to terminate that Tuesday sailing of the North German Lloyd's line or not?—An instruction of that kind did come from the Treasury; and I know also that, in preparing the Packet Estimates for this next

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year, only a portion of the annual payment to the North German Lloyd's line has been included, because it is expected that their services will be discontinued.

155. Can you tell me whether these instructions were sent by the late Government or by the present Government?—They were sent by the present Government, on the ground that the whole postage was taken up for the other lines.

156. *Chairman.*] Are you aware, from your personal knowledge, what are the existing contracts?—I have seen all the existing contracts; possibly I can answer any question with regard to them that you desire; they are all published.

157. Mr. *Hamilton.*] What contracts are there now between the Post Office and owners of steam vessels for the conveyance of mails to the United States?—There is a contract terminable at six months' notice with the North German Lloyd's, and there is another contract with Messrs. Cunard for two services from Queenstown, and one with Mr. Inman, almost identical in terms with Cunard's, for one service a week from Queenstown. Those contracts are now on the table of the House, awaiting confirmation; those are the only ones.

158. What are the terms of them?—The North German Lloyd's line is to be paid the sea postage upon the letters conveyed; Messrs. Cunard are to receive 35,000 *l.* for each service, that is, 70,000 *l.* for the two services; Mr. Inman is to receive 35,000 *l.* for the one service. I may mention, for the sake of comparison, though I have stated it before, that the North German Lloyd's gets about 12,000 *l.*, that is to say, about one-third of the payment that is to be given to these other companies for the service.

159. You say that Messrs. Cunard receive only 70,000 *l.*?—£.70,000.

160. In the printed contract, it appears at page 16, section 29, that they would receive 80,000 *l.*?—That is the temporary contract for the year 1868.

161. It is not a contract now in existence, then?—It is not a contract now in existence; it terminated at the end of last year.

162. Is there any condition in the existing contract that they should pay back to the Postmaster General anything they receive for home sea postage?—No; anything they can get from the United States for sea postage on the homeward mails they are to keep for themselves.

163. Over and above the 70,000 *l.*?—They are to keep that for themselves, over and above the 70,000 *l.*

164. With regard to this estimate that you gave us of 75,000 *l.*, as the actual amount of sea postage, is that sea postage out and in, or merely one way?—That is merely one way; Messrs. Cunard receive about 9,000 *l.* inwards; their total earnings under the head of sea postage last year were under 40,000 *l.*, so that that contract entailed a loss of 40,000 *l.* a year upon the Government.

165. Are you able to answer this question; is it your opinion that the postal services with New York would be less frequent or less punctual if subsidies were not paid?—I do not think that they would, because in the contracts awaiting confirmation by the House of Commons, Messrs. Cunard and Mr. Inman are not bound to any time; they give us nothing whatever that we could not compel them to give by law, if we put the mails on board and gave them only a penny per letter for carrying them, except their touching at Queenstown, and their punctual departures from Liverpool; with those exceptions we get no additional advantage by our payment of subsidies instead of the ship letter postage of one penny per letter; with regard to those exceptions, I am informed that all the steam packet companies leaving Liverpool do stop regularly at Queenstown, or that the majority of them certainly touch at Queenstown for their own purposes; so that in all probability, by paying Messrs. Cunard a penny a letter only, we should get just as good a service as we shall get now, when we are to pay them about six times that sum.

166. Therefore it is your opinion that the commercial public would suffer no inconvenience from the discontinuance of subsidies for carrying letters from England to the United States?—I am certain that they would very much gain by it: as long as a fixed subsidy is given, the Steam Packet Companies have no object in performing the service in a quicker time, except the usual rivalry between the companies, and the desire that they always have to get rid of their passengers as soon as possible, so as to save the cost of their maintenance; but when the payment is made dependent upon the number of letters conveyed, each company desires that it should have a reputation for speed, because the public will then send their letters by it; and the mails, even at a penny a letter, pay

pay so much better than any other freight you can put on board, that the companies are eager to get them, unless they believe that by negotiation they can get better terms.

167. Mr. *Greaves.*] During the time that the conditions of the proposed contract were discussed, was there a temporary arrangement or contract made last year?—There was a temporary contract made with Messrs. Cunard for 1868.

168. And that expired at the end of 1868, did it?—It expired at the end of 1868.

169. Upon what terms is the service performed now?—The service is now performed under the contract which is awaiting confirmation.

170. Under the new contract awaiting confirmation?—Yes.

171. That contract is in practical operation, is it?—It is in practical operation.

172. *Chairman.*] Did the operation of that contract then commence on the 1st of January?—It commenced on the 1st of January.

173. Mr. *Seely.*] You have stated that there is no penalty inflicted on Messrs. Cunard if they are beyond the usual time on the voyage; is there any penalty inflicted for overtime on the North German Lloyd's Company?—They forfeit one-eighth part of the subsidy for every 12 hours that the voyage exceeds the prescribed limit, the maximum fine being the whole payment for the particular trip.

174. By "subsidy" you mean the payment they would have received for the letters conveyed by them?—I do.

175. *Chairman.*] Are they on so much worse terms as compared with the Cunard and Inman lines?—They are on far worse terms.

176. Their contract is not for a term of years, but terminable at six months' notice, as I understand?—That is the case.

177. The contracts with the two Liverpool lines are for seven years?—They are for eight years.

178. Eight years certain?—They are for eight years certain.

179. You have nothing to do with the stipulations that there may be in respect of the use of the ships for other purposes?—No; I asked a shipowner the other day, one of the managers of the Hamburg American Company, whether there was any stipulation in these contracts that throws additional expense upon the companies, and he said, "No, there are none; we simply have to set aside a certain space in the vessel"; and they would be glad enough to set aside that space for cargo that paid so highly as the mails do.

180. In these contracts is there any stipulation as to the conveyance of troops and officers; perhaps there may not be in these new contracts?—I have not looked to that point; I forgot that point when I gave my last answer.

181. There were such stipulations in the older contracts?—I have not looked to see.

182. Mr. *Graves.*] May I ask you the number of hours that the North German Lloyd's have stipulated for with respect to the time between the 1st of November and the 31st of March, before penalties can attach?—Three hundred hours.

183. That is 15 days?—I think not.

184. How many days?—That would be 12½ days.

185. And the Hamburg line, can you tell us what they demanded?—The Hamburg American Company demanded 312 hours, that would be 13 days.

186. *Chairman.*] It is an important matter, is it not, that there should be fixed days for the postal service, on which the mails are to leave?—It is important.

187. And you believe that without the assistance of subsidies you could guarantee that the steamboat companies would run boats leaving on certain days to take the mails?—I think so. I may mention with reference to that matter, that the Post Office, as will be gathered from the correspondence, desired that the day of departure from Queenstown should be Tuesday, not Wednesday, but that they have fixed Wednesday (I have reason to believe) to suit Messrs. Cunard; therefore the times that are fixed are not the days which are convenient to the Post Office, but the days which are convenient to Messrs. Cunard and Company.

188. But the North German Lloyd's Company "urge that although a vessel may not leave Southampton at the appointed time, if the letters are delivered at New York within the stipulated time, no penalty should be payable;" might not that cause irregularity?—It would cause no harm at all, that I can see. Suppose

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the mails got down to the Southampton post office at the proper time, and are all ready to go on board the packet, and the packet happens to be a day late, they simply have to remain in the post office instead of being in the hold of the ship. If they reach New York at the time appointed, there is no delay to the correspondence; the letters will merely have been rather longer on land, and a less time on the water, than was expected. I may mention, with regard to Messrs. Cunard's old contract, that there is a clause in it, if I recollect rightly, which says that they shall not be fined for delay in starting, if the delay does not exceed 12 hours. Therefore a margin of delay is now allowed, or rather was allowed, in Messrs. Cunard's old contract.

189. Will you hand in those papers you have shown us?—I will. (*The same were handed in.*)

Vide Appendix.

[The Witness withdrew.

Thomas Wallis, Esq. called in; and Examined.

T. Wallis, Esq.

190. Mr. *Seely.*] Are you the agent for the North German Lloyd's Company, at Southampton?—I am one of the firm who represent the company there. I am not their sole agent.

191. How many steamers have you running to New York?—Eleven.

192. Can you give us the tonnage of them?—The tonnage would be about 2,500 tons each.

193. And the horse-power?—About 600 tons nominal horse-power.

194. Where were they built?—They were all built on the Clyde by Messrs. Caird & Co., who received from the North German Lloyd's Company very nearly a million and a half sterling for their entire fleet, the whole of which were built by Messrs. Caird & Company.

195. Can you give the Committee the speed of those vessels?—I can give it against each name. I have here Messrs. Caird & Co.'s statement of their speed. The "Bremen," "New York," "Hansa," "America," and "Hermann," 13¼ knots an hour.

196. From what paper are you quoting?—From the builder's own statement.

197. He gives the speed at what, at the measured mile?—At the trial trips, before the vessels were handed over to the proprietors, the "Deutschland," the "Union," and the "Weser," 14 knots an hour, and the "Rhine," the "Main," and "Donau," 14¼ knots, carrying a load of from 1,400 to 1,500 tons.

198. Had they a full cargo on board; had they full weight when they were tried?—I am not prepared to say that it was a cargo of general merchandise, because it could not be that; but it was a cargo of coals and ballast, and things which are ordinarily used at the trial trips to see how the vessels will go.

199. Was the weight about equal to what they would usually have on board in their passages?—About that. They carry from 900 to 1,000 tons of coal for their use on the voyage, and if they had that amount of coals on board, a cargo of ordinary merchandise would not weigh more than from 500 to 600 tons. The time when they would have from 500 to 600 tons of general merchandise on board would be when they were fully laden: they had not that on board when the trial trips were made, but it was made up to that, so that the approximate draught may be taken.

200. *Chairman.*] I understood you that they were weighted with ballast, and other things, to make such a weight as would be equivalent to a cargo?—Yes. They attained these rates of speed on their trial trips, actually carrying a load of from 1,400 to 1,500 tons.

201. Mr. *Seely.*] Are you building any new vessels?—Not at present. We have just completed three. Within the last six months we have had three vessels handed over to the company from Messrs. Caird.

202. Did you build any in the year preceding?—Probably if I were to give the names and dates of the vessels throughout, it would be a complete answer to that question. We had two in 1858; one in 1861; one in 1863; one in 1865; one in 1866; two in 1867; two in 1868, and one delivered this present year 1869.

203. The

203. Then you do not wait for a subsidy before you begin to build vessels?—Not at all; we have none to wait for.

204. Have you sold any steamers?—We (I am speaking for the North German Lloyd's), the Company, sold a vessel last year to the Royal Mail Steam Packet Company, a well-known English company, whose offices are in Moorgate-street, and who were very badly pushed for a vessel at the time, having lost several by the hurricane at Saint Thomas's, in the preceding year; we sold a vessel to them called the "Rhine," of which the hull was then complete; she is now called the "Neva."

205. Are you aware whether Messrs. Cunard are now building any vessels?—I am not aware that they are; I am not aware that they are not.

206. Can you give the Committee a comparative statement of the performances of your vessels, as compared with Messrs. Cunard's vessels, which sail on the Wednesday, from Liverpool?—You mean, I presume, during the present year, and last year; we published, this year, in "Mitchell's Shipping Journal," for the 15th of January, a statement of our trips to the westward, and also to the eastward, for last year; I have not a copy of it by me, but I could get one.

207. What I want is the average?—The average of our passages is 11 days 12 hours.

208. From Southampton?—From lighthouse to lighthouse; that is, when the vessels are fairly under weigh.

209. From what point is that?—From the lighthouse at the Needles to Sandy Hook Lighthouse.

210. *Chairman.*] What did you say the average from the Needles to Sandy Hook, last year, on all your vessels was?—11 days 12 hours.

211. Mr. *Seely.*] Do you know what the average has been this year?—I have not worked that out; I fancy I have it by me.

212. Mr. *Hamilton.*] Can you give it from wharf to wharf?—That would be impossible, there are so many delays in leaving the wharf; sometimes we get away from the wharf in 20 minutes; sometimes we are detained there an hour or two: it depends upon the number of vessels lying at the wharf when we get away. We have sometimes to leave the docks early in the morning in order to be able to take in the mails in the river; at other times we leave in the middle of the day; it depends entirely upon the time of the tide.

213. Mr. *Seely.*] Supposing the mails were refused to your line on the Tuesday, what would be the effect?—You mean, I suppose, what would be the effect upon the public service if we did not carry them on the Tuesday? In my opinion it would be a very great loss; I have a note here which would prove that fact. Our steamer, the "Main," one of the latest contracted for, one delivered towards the end of last year, started from Southampton on the 9th of February; she was detained several hours there by a furious hurricane, which prevented her leaving the place, and the Royal Mail steamer was also detained till late at night from the same occurrence. Owing to that gale the Continental mails could not get across to London in time for that vessel, the "Main." They were consequently forwarded by the "Tarifa," which left Queenstown under the new contract on the Wednesday, or Liverpool on the same day as the "Main" left Southampton (that is the real fact), the 9th of February. The "Tarifa" arrived at New York on the 25th of February (three days later than the "Main," and the "City of Antwerp," the Inman steamer which left Liverpool a day later than the "Tarifa," arrived at New York on the 24th of February, nearly 24 hours earlier than the "Tarifa," so that these mails were detained twice; first they missed one vessel, and secondly, by going by the new line of cargo steamers, introduced as mail packets, they were delayed 24 hours longer, because, had they been kept 24 hours at Liverpool waiting for the "City of Antwerp," they would have reached New York 24 hours earlier than they did. Among the mails which missed the "Main" and were detained, were some Continental mails, and there has been a complaint about it at New York. I have here a letter (*producing a letter*) from our correspondents in New York, in which they state that the shippers of goods were much inconvenienced, and that a cargo could not be entered at the Custom House, thereby causing much annoyance and loss by the non-delivery, and they have complained to the Post Office at New York on that account. They have complained that the mail did not go by the "City of Antwerp" instead of by the "Tarifa." I will read a passage from their letter to us, which is dated the 27th of February: "We beg

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to draw your attention to the fact that the Continental mail intended for the 'Main,' which must have missed that ship, has, under the new arrangement of your Post Office with the Cunard Company, been sent by steamer 'Tarifa,' and arrived here on Thursday, nearly 24 hours behind the 'City of Antwerp.' The consignees per 'Main,' who mostly receive their Bremen bills of lading by that mail, were thus subjected to great inconvenience and expense, not having been able to enter their goods before the vessel discharged. We have drawn the attention of our Post Office department to this result of the arrangements made on your side." I may say that when this letter was written, there was no idea that any question would be raised about the mails. It is simply an ordinary communication to us in the course of business; I may add that if the North German Lloyd's are not to carry the mails, this would happen, in my opinion, every week.

214. If you carried no mails, would it still be necessary for you to start regularly?—It would be necessary, as far as our engagements with the mercantile public are concerned, and we are as desirous of maintaining our time with them as we are with the Post Office, and we always have done so.

215. It would be your interest to start regularly in order to obtain as many passengers as possible?—It would be our interest to start regularly, in order to maintain the confidence we have from the travelling and shipping public. This line has been in existence 11 years, and I do not believe there can be any complaints adduced as to our non-punctuality in departure.

216. If you had no mails to carry, should you attempt to perform your voyages as quickly as possible?—Certainly; we should have an interest in doing so, because the sooner you get to your destination the sooner you get rid of the expense of keeping a number of passengers; and, moreover, passengers in these days look out for the quickest vessel. Our reputation is at stake with regard to passengers. We should therefore have to travel as quickly whether we had the mails or not, that would not make any difference.

217. Are you put to any extra expense in consequence of carrying the mails, beyond what you would be put to in the carrying of an equal weight of goods of a similar description?—I think not. No, I cannot say that we are put to any additional expense by being a mail packet company. We may, perhaps, hurry our vessel away an hour or two earlier, and that may cause us a little inconvenience occasionally, but I do not think I can say that it is attended with any extra expense.

218. You are not obliged to keep a large space unoccupied in your vessel in consequence of carrying the mails?—No.

219. Do you conceive that there is any advantage gained by the prestige you have in carrying the mails?—We do; our company attach very considerable importance to the honour of carrying the British mail. It is a point of honour with them to endeavour to carry it.

220. And do you conceive that the shipowners generally are exposed to a disadvantage in consequence of particular firms having large fixed subsidies?—I should think it would be detrimental, because others running in the same trade, having no fixed subsidy, are running with much smaller amounts at their command, they have a less income, and they are less able to make reductions in freights or passage-money, as the case may be, and things of that kind.

221. Is there any probability that the subsidised companies are able to underquote your rates of freight in consequence of having a fixed subsidy?—Whether the fact of their having a large mail subsidy, or having had a larger mail subsidy than they have now, has anything to do with this fact or not, I cannot say; but it is an established fact that Messrs. Cunard have kept cutting down the freight very low from Havre for years. Sometimes they have been taking goods from Havre to New York for 20 *s.* a ton measurement. The expenses of getting the goods from Havre to Liverpool cannot be less than half that money; and, as everybody interested in shipping must know, 10 *s.* a ton from Liverpool to New York is not only not a paying, but it must be a losing game. It must be the subsidy which has enabled them to do it during so many years.

222. Are you aware whether vessels going from Liverpool to New York sustain any loss by calling at Queenstown?—I can scarcely speak much upon that point; my nautical experience is not very great, but looking at the chart, I should fancy not a great deal, perhaps an hour or two; I do not know how long it

it takes to go into Queenstown Harbour from the clear track, that is the only thing; I could not speak positively upon that.

223. Can you state what is the rate per ton upon goods similar to these mail-packet bags?—There are no goods that could be compared to the mail bags, that I can see.

224. What is your rate per ton upon goods generally?—It varies from 60 *s.* a ton downwards.

225. To what?—It is not higher than 60 *s.*; it has been 100 *s.*; but those days, owing to competition, are gone by.

226. What is the highest rate, then, now?—The highest rate is 60 *s.*

227. Going down to as low as what?—As low as 40 *s.*; the rate depends upon the amount of competition at the time, and the amount of freight offering.

228. Are you aware what weight of letters there are in a ton of 40 cubic feet?—I have no idea at all; it is a calculation I have never attempted to go into; I could not give any idea at all.

229. Mr. *Graves.*] Yours is a weekly line, is it not?—It is a weekly line; it runs every Tuesday.

230. Do you carry mails for any foreign Governments?—We carry mails for the North German Confederation, or the Berlin Government, it is for the Berlin Post Office that we carry.

231. Under a system of subsidy?—No, it is done by postage.

232. Can you tell me what is the ocean postage?—I have no idea; we are only agents for the company in England; I can only speak to their affairs in England.

233. Is there any way in which the Committee could get the information; could you get it for the Committee?—I am not prepared to say that I could do that.

234. Could you get the information?—I am not certain whether I could get it; I do not know whether they would give it.

235. Mr. *Seely.*] Would you ask whether they would furnish it to the Committee or not?—I cannot undertake to say whether they will or not.

236. Will you ascertain for the information of the Committee whether they will inform the Committee what is the ocean postage they receive for the conveyance of the mails?—I will endeavour to ascertain it; it would of course depend upon the amount of letters they carry. It is on precisely the same principle as that on which we are carrying from England to the United States.

237. *Chairman.*] What we wish to have is not the amount, but the rate?—I do not think there would be so much objection to that; that is another matter.

238. We wish to know the rate per ounce?—I can get that.

239. Mr. *Graves.*] Your vessels are built at Glasgow, are they not?—They are built in Greenock, by Messrs. Caird.

240. Are your vessels during building subject to any kind of survey; are they subject to any Admiralty survey?—It is not necessary. At the time we built our vessels we did not expect to have anything to do with the English Government, which would bring us under survey.

241. Can you say whether the vessels built for the British mail service are surveyed by the English Government officials?—I believe they are by the law to that effect; but whether that is an advantageous provision of the law, I cannot say.

242. Your vessels are exempt from all survey of every kind?—I should think there is not any great advantage attached to a survey by English surveyors; in fact, the "Neva" being built for a foreign company, was sold to the Royal Mail Company, and is now carrying the mails under contract with her Majesty's Government. I apprehend if it were necessary for them to come under survey, there would be no reason why they should not do so.

243. Are you able to give any information to the Committee as to whether your specifications are lighter or heavier than those built for the British Mail service?—No, I cannot say; it is a matter between the company and the builder.

244. What is the stipulated ocean-rate for postage on all correspondence carried by your vessels; I refer to your present running contract?—Do you mean the contract with the British Government?

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245. Yes?—It is called the ocean postage; we are to have so much per ounce.

246. Should you think you had a ground of complaint if the British Government decided upon lowering the postage from the rate they now allow you to one-half the price?—I can scarcely give an answer to that; it would require some consideration. If our mails doubled, and we had to carry double the amount, I do not suppose we should object to carry double the bulk at the same money. We think the speed of our vessels would create a reputation for them; I have no doubt it would ultimately end in that. As we increase the bulk of correspondence carried, we should probably agree to some reduction. I am not prepared to say what, but they would probably not object to carry a larger portion of the mails for the sum of 12,000 *l.* I am not prepared to say they would not do anything of the kind, but as the bulk increased, I think they would consent to some reduction in the amount of pay.

247. Mr. *Hamilton.*] You said that it adds to the prestige of a company to have the honour of carrying the British mails; you think it a substantial advantage irrespective of the actual amount paid?—I cannot say anything about its being a substantial advantage.

248. A desired advantage?—Many people look to these things for the honour, and so forth. What I said about the honour must be taken as meaning the honour itself, without any other meaning behind it; many people will do a thing for the honour alone; I do not say that if the mails were offered to us to be carried for nothing, that for the honour we should carry them; the terms upon which we now carry were the terms offered to us by the Post Office 12 months ago; we accepted their offer, and we asked that the terms they originally proposed should be continued; and, in addition to that, we consider it an honour to carry her Majesty's mails.

249. Have you any reason for supposing that if you had nothing but what has been called by the authorities at the Post Office the sea postage, which is less than that you have received, that your service would be less punctual or less speedy than it is now?—I do not think it would be any less punctual or less speedy than it is now; if they undertook to carry the mails at all, they would carry them with the same attention, punctuality, and speed as they now carry them.

250. Has not the Postmaster the power of placing boxes of letters upon your ships?—I believe not, unless we are under a contract with him; I cannot say that he cannot put ship-letter mails on board; but I think it is doubtful whether he can or not.

251. That is merely because it is a foreign company?—Yes; I do not think he could do it, unless it was a matter of arrangement between us; I fancy if we chose to carry the mail, the Postmaster would be obliged to give us any letters addressed to us.

252. You are aware that he has the power in reference to English vessels?—With English vessels I believe he has; I am not certain; I have not had any reason for informing myself positively upon the matter.

253. You gave the Committee to understand that if the terms were such as to induce you to carry the mails at all, the service would not be conducted with less speed or punctuality than it is now?—No.

254. Even though the terms were reduced?—No; if they accepted the terms, be they more or less, even if it were 1 *d.* a letter, the service rendered would be precisely the service rendered now.

255. *Chairman.*] You are at present carrying the mails under contract with the Government?—Yes.

256. Have you had notice of a termination of that contract?—We have not had notice; I see by the paper that it was intended to give us that notice, but it has been held in abeyance.

257. Your tender was made, not for a subsidy, but for a certain rate for carrying the letters?—Yes, in accordance with the invitation on the form of tender; last year, in 1868, when the tenders were issued, it was distinctly stated that tenders sent in precisely in the form issued by the Post Office would secure more attention than those with any alteration; upon that our directors sent the tender in expressly as it was printed, without making any alteration whatever; and they were somewhat surprised to find afterwards that large

large subsidies had been given to Messrs. Cunard, and different times and length of voyage given to Mr. Inman; those parties who tendered upon different terms had therefore better terms than those who did not alter the form.

258. In the tender which you sent in, did not you tender for any particular period of time?—I am referring to the first invitation we ever had for the temporary service, as it has been termed.

259. You worked the temporary service last year?—Yes.

260. Are you working on the terms of that temporary service now?—No; that contract came to an end on the 31st of December, simultaneously with that of Cunard and Inman.

261. You are now working in accordance with the terms of the second tender which you made last year, commencing with the 1st of January this year?—Yes.

262. That was the tender with regard to which you had notice that tenders sent in that particular form would have the preference?—No; we had that notice about the tender of 1867 for 1868.

263. It was sent out the 30th of July 1868?—The same thing occurred in the tender before; the only alteration that we made, on finding that others had made alterations the year before, was that we asked for 24 hours longer during certain winter months.

264. Are the terms of 1 *s.* per ounce for letters the terms suggested to you by the Post Office originally?—Yes.

265. Supposing the Post Office thought right to lower the postage to America, that would be matter for a further contract?—I suppose so; that is a question for the Post Office law officers, I should imagine; if our company felt inclined to agree to a reduction in the postage, I do not think that they, on their part, would insist upon six months' notice to cancel the present contract, to go through the form of making a new contract.

266. Supposing your contract for three years be terminable at six months' notice, if the Government thought of making an alteration in the foreign postage, they could terminate your contract and advertise for fresh tenders?—Yes; our contract is not for three years, therefore I could not have understood the question in this light.

267. You carry the foreign mails, I understand, to America?—Yes; we carry the Berlin mail, the German mail.

268. You are paid for the German mail so much per ounce for letters, are you not; or do you receive from them a sum of money as a subsidy?—Not as a subsidy; but so much according to the number of letters which we carry: so much per ounce.

269. Do you carry them on the same conditions, as regards payment, as those on which you are carrying the English mails; I do not say the same rate per ounce, but on the same conditions?—No; we are not bound to time; we are under no penalties; those stringent clauses which are in the English contracts are not contained in the German contracts, the reputation of the vessels being considered sufficient.

270. I was not speaking of penalties as to time; I want it to be clearly understood that you are paid according to the quantity of letters you carry?—Yes, letters and papers.

271. As I understand, you are under certain penalties and disadvantages, as compared with the Cunard Company, in respect of time, are you not; I mean with regard to the English contract?—Yes, we are bound to time; the Cunard Company is not.

272. With respect to the survey of the vessel, I presume that would have something to do with the stipulation in the English contract, that vessels may be bought or hired in time of war?—It is not in our contract. It was never suggested to us by the other contracting parties, the Post Office, that such a clause would be put in.

273. I ask whether the survey has not some connection with that clause in the contract; Mr. Graves asked you whether your vessels were not subject to some restrictions which the British vessels were not restricted to?—Mr. Graves does not mean to say that British mail steamers are subject to any particular survey because they carry mails. I am not aware that a vessel must undergo any particular survey because she carries English mails. I believe it is simply a survey which she has to undergo before she gets the Board of Trade certificate.

274. It is desirable that it should be brought out whether Messrs. Cunard's

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vessels are subject to survey because they carry the mails?—They are not; but because they are British steamers, and whether they carried the mails or not, they would still be subject to the same survey. It depends on the nature of the contract: for some English contracts the vessels are surveyed, for others they are not. Mr. Inman's vessels, last year, when they took the ocean postage, did not come under the admiralty survey; having passed the Board of Trade surveyors, that was considered enough. Whether they carried the mails or not, they must pass the Board of Trade survey.

275. I understand Mr. Graves' question to be that Messrs. Cunard's vessels were weighted as against you, because they had to undergo the Admiralty survey on account of their carrying the mails?—It may have been so in past times with vessels constructed for Messrs. Cunard under the old contract, which expired in 1867.

276. As far as you are aware, under the present contracts Messrs. Cunard's and Mr. Inman's steamers have not to undergo any admiralty survey?—Not those constructed since the 1st of January last year.

277. Messrs. Cunard and Mr. Inman are under no penalties, are they, for exceeding their time?—Not by their present contract.

278. But you are?—We are.

279. Mr. *Seely.*] If you were to carry no mails, would you build a different kind of vessel?—We should build precisely the same vessels whether we carried the mails or not; carrying mails has always been a matter of speculation; we carried for the American Government for many years, and the vessels were not built for carrying mails.

280. If you were certain that you would carry the mails you would build the same class of vessel as if you were certain you would not carry the mails?—Yes; and I cannot give you a better proof of that than by referring to the vessel "Neva," which we sold, and which is carrying the English mails, and is found very suitable for the work; it is the fastest vessel in her trade.

281. Mr. *Hamilton.*] Can you tell the Committee what you believe this remuneration to your company will amount to in 12 months, under the present contract?—About 12,000*l.*

282. That is for one weekly service?—Yes, for one year.

283. What did you receive for last year?—I can tell you the net amount we received last year; but the details I have not got; the net amount was 9,504*l.* 1*s.* 5*d.*, we having only 11½ days allowed us in the winter. It is impossible for vessels to do it in that time regularly.

284. Were you subject to fines when you did not accomplish it in that time?—Yes.

285. Were they exacted?—Yes, every farthing; we urged the fact that our vessel had been in a tremendous hurricane for 24 hours, and we were told by the Post Office that the fines were absolute, and that they could not allow a single farthing off.

286. Were they exacted by the orders of the Post Office?—Yes, by the Postmaster General; we wrote remonstrating with him.

287. Had you been frequently unpunctual, exceeding your time?—Yes, we had, certainly, otherwise we should not have been liable to so many fines; but we had 24 hours less in the winter than we have now, and 2½ days less than Mr. Inman for running over the same ground; they had a day and a half longer from Queenstown than we had from Southampton.

288. Would you have expected the Postmaster General to exact the fine, had the mail occasionally exceeded the contract time?—Yes, unless we could adduce any reasons. In most other contracts there is a clause inserted to that effect, and in the Royal Mail and the Peninsular and Oriental Companies' contracts, there is a clause stating that if it is shown to the satisfaction of the Postmaster General that the circumstances causing the delay were such that the Company could have no control over them, he could remit a portion of the fines according to his judgment, but in our case they say that the fines are absolute.

289. Was that for continual unpunctuality?—No, for occasional unpunctuality. Sometimes we were 12 hours behind, and sometimes 24 hours behind, but occasionally we were 24 hours before our time, and that was not taken into consideration.

290. Mr. *Talbot.*] Had you no premium for arriving before your time?—No; if

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if the arrivals before our time were put against the arrivals after our time, we should show under time rather than over.

291. Mr. *Seely*.] I think you said that the Company wish to carry the mails for the honour of doing so?—Not for that alone.

292. Is it not the fact that they likewise wish to carry the mails in consequence of being thereby able to secure more passengers and goods?—No doubt that may have something to do with the question. People, as a rule, like to go by a mail steamer, knowing that it must be punctual.

293. Mr. *Hamilton*.] Can you inform the Committee whether your contract time is in excess of the average actual time of the Cunard quick service?—I cannot speak accurately to that; I have had no necessity for getting out particulars, but that could be got from the Post Office, without the slightest fear of discrepancy in it. I think it would be better to obtain it from there than for me to give my simple opinion. I could only give a wide guess at it. I would like to mention one thing with reference to the steamers, that in speaking of our vessels in comparison with Messrs. Cunard's, we are not wishing to contrast our fast steamers with Cunard's fast steamers, but only with Cunard's slow ones.

Andrew Duncan, Esq.; Examined.

A. Duncan, Esq.

294. Mr. *Seely*.] ARE you a partner in the firm of Smith, Sundius & Co., who are agents to the Hamburg-American line?—Yes; Smith, Sundius & Co., is the name of my firm; we are agents for the Hamburg-American Steam Packet Company.

295. Did you carry the mails for ten months in the year 1868, from Southampton to New York?—We did.

296. On what days?—On the Friday in each week, after 1st March; before that, each alternate Friday.

297. Can you give the Committee the times of your passages during that period?—I have the whole of them (*handing in several papers.*) I have first of all, a table showing the time of the departures from Queenstown and Southampton respectively of all vessels which carried mails last year, including the vessels belonging to the company I represent; I have the times of their arrival at New York also.

298. *Chairman*.] Did your vessels touch at Queenstown last year?—No.

299. Mr. *Seely*.] Have you made an average of the length of voyage from Southampton to New York of your vessels?—Yes.

300. Will you give it to the Committee?—In what shape? Do you wish for a comparative statement or an actual statement?

301. Can you give an actual statement first, and will you begin by stating how many boats your company has?—We have seven vessels.

302. How many voyages did you make?—Thirty-nine under mail contract; 44 in the year.

303. Now, can you give the average length of the passages?—I have the average for the whole year; but I have not the average for the time when we carried the mails.

304. Where did you go from in the remaining two months?—We went from Southampton still.

305. *Chairman*.] Then the best way would be to give us the average for the whole year?—The averages of our passages from Southampton Dock to New York are made out per month; I can give the average passage in January for instance.

306. Mr. *Seely*.] Will you give it in the form which will be most convenient to yourself?—I have had these tables prepared, which will show the facts at a glance (*handing in a table*); our average for January was 12 days 8 hours 7 minutes from Southampton.

307. Is that to New York or only to Sandy Hook?—To Sandy Hook; that is 19 miles short of New York; I was sent for rather unawares; I was not prepared to be examined to-day, and I have not got these facts put in such a shape, perhaps, as I could have done if I had known what was desired.

308. Give us the information in the shape you have got it?—In the month of January we were 12 days 8 hours 7 minutes, on the average.

309. In February?—Nine days 14 hours; we have some very fast vessels.

310. Mr. *Graves*.] It is last February that you are speaking of now?—Last year, 1868.

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311. Mr. *Talbot.*] Do you mean to say you have done it from Southampton to New York in nine days?—Yes; we leave commonly on Friday night, and arrive at New York on the Sunday week; we are due on the Sunday.

312. Is that from Southampton or from Havre?—From Southampton.

313. *Chairman.*] Now, will you give us the average for March; never mind the minutes?—Twelve days 4 hours 45 minutes.

314. In April?—Thirteen days 8 hours 30 minutes.

315. Mr. *Greaves.*] May?—Eleven days 18 hours, about; it is exactly 11 days 17 hours 54 minutes.

316. June?—Ten days 12 hours 18 minutes.

317. July?—Ten days 7 hours 42 minutes.

318. August?—Eleven days 12 hours 15 minutes.

319. September?—Nine days 23 hours 15 minutes.

320. October?—Eleven days 4 hours 30 minutes.

321. November?—Ten days 11 hours.

322. December?—Twelve days 21 hours 30 minutes; I must remark that in November and December we carried no mails.

323. Mr. *Seely.*] Have you the average of the 12 months?—Yes; but it depends upon the form in which the Committee wish to have it; I have it in three ways; I will read it to you in either way you think proper; I have it as though we all started from Queenstown, allowing 20 hours difference of time to us for going from Queenstown instead of Southampton (Hurst Castle).

324. Will you give us the average of these 12 months which you have stated separately from Southampton to New York?—The average from Southampton Dock to New York was 11 days 8 hours and 8 minutes, say 11 days 8 hours and 8 minutes, or from Hurst Castle to New York 11 days 6 hours and 8 minutes.

325. Now give it us in the other two forms you spoke of?—If you estimate all the steam vessels as starting from Queenstown, and allow us 20 hours off our passage for getting to Queenstown from Southampton (Hurst Castle), and add 4 hours 30 minutes for difference of time between this country and New York, the average duration of passage stands thus: the Inman line take 11 days 0 hours and 55 minutes; Cunard's, 10 days 8 hours and 5 minutes; the Bremen Company, 10 days 23 hours 46 minutes; and the Hamburg Company, 10 days 14 hours 38 minutes.

326. *Chairman.*] But then you see you did not load at Queenstown?—No, we did not.

327. We rather wish to take the comparison between the actual times occupied, I think?—Here are the actual passages (*producing certain Tables*); I have these tables prepared monthly, so that we may know what we are doing; these show every ship's departure; the time she leaves Southampton (Hurst Castle), and the hour she arrives at New York; and we add four hours and thirty minutes for the difference of time, and deduct for the Southampton departure 20 hours to bring them to a level with the Queenstown departures; I think an inspection of my tables will show that they are very ample, and that they contain every information the Committee may wish.

328. Mr. *Seely.*] Have you another comparison?—Yes; I have the actual result of the performances of the four fastest vessels of the Cunard steamers, compared with our four fastest vessels last year.

329. *Chairman.*] That is an actual result?—Yes; here are the days and hours and minutes occupied on the passage of each company.

330. Mr. *Seely.*) Is it the actual voyage from Southampton to New York and from Queenstown to New York?—Yes.

331. Be good enough to give it us?—The actual voyage from Queenstown to New York by the Cunard steamers was, on the average, 9 days 17 hours 21 minutes; by our four boats it was from Southampton 10 days 7 hours and 30 minutes. If the Committee does not take into consideration the distance we have to travel to reach Queenstown it ends there: otherwise it shows for us 9 days 11 hours and 30 minutes, or six hours, nearly, less than Messrs. Cunard and Company's.

332. *Chairman.*] Is that a comparison of their fastest boats and your fastest?—Yes.

333. Mr. *Greaves.*] That statement is assented to by the other companies, I suppose?—No; I have not had communication with anybody; I represent the Hamburgh-American Company only.

334. *Chairman.*]

334. *Chairman.*] There are 34 voyages of the Cunard vessels to 22 voyages of your vessels, I see?—Yes, that is all our four boats made.

335. But you did not take into the comparison the fact that the Cunard made 12 passages more than you did?—Yes; but had we made 12 more, we should have beaten them so much the more; this is another statement, showing the passages of each of the four mail lines (*producing another paper*).

336. Mr. *Seely.*] What payment did you receive for the service you performed last year?—For the service we performed we received a payment amounting in all to 5,412 *l.* 11 *s.* 2 *d.*, that is to say, this is the total sum the Post Office state that we earned, but they have not paid us that sum. They proposed to inflict certain fines which we would not assent to; we demanded an arbitration, which has not yet taken place; and in consequence of what my directors thought their harsh treatment at the hands of the Post Office, they gave them six months' notice to cancel the contract.

337. You did?—I did, on behalf of the company, my principals.

338. *Chairman.*] What was the amount of the fines they set against these earnings?—They fined us on two occasions, 300 *l.* each time, for not starting at two o'clock; that was according to contract. But although we did not start at two o'clock, we performed the service within the stipulated time; we reached New York before the number of hours we were bound to arrive in by the contract, and therefore we thought it could not be according to the spirit of the contract that we should be punished, because although we were two or three hours late in starting, yet we accomplished the journey in the proper time.

339. Mr. *Greaves.*] You accomplished it at the time you ought to have done if you had started at the proper time?—Yes; we were not very much behind time in starting.

340. Mr. *Seely.*] Can you tell the Committee at what time you did start on these two occasions?—I have not the papers by me; but I am ready to state that we were not later than five o'clock upon one of those occasions, and seven upon another. I could not tell you exactly; but it will all be a matter of arbitration, and the facts will appear then.

341. Can you tell what was the time at which you arrived, and the time at which you ought to have arrived?—We were fully within the contract.

342. Do you know by how much?—I cannot say that.

343. Those were not the only times that you were fined, I think?—No; we were fined two other times; and, though the contract stipulates that in the event of not starting we are to be fined 300 *l.*, there is another clause, which says that the fine is not to amount to more than the total sum earned on the voyage; and the Post Office fined us 300 *l.* for not starting at the given hour, and 92 *l.* 9 *s.* 4 *d.* more for not arriving in time; in other words, 5-8ths of the subsidy, besides the fine of 300 *l.*; my directors thought that that was totally un-English and unjust, and they resented it, and gave notice to the Post Office that they would have done with the contract.

344. You have told us of three fines?—There were four fines; there was a fourth fine also; they fined us 300 *l.* and a slight mulct for being over time.

345. How many boats have you capable of doing the voyage from Southampton in 11 days?—Seven.

346. Have you been building any new ones lately?—They fined us 1-8th of the subsidy upon the other occasion; we carried a mail bag, for which we got 129 *l.* 7 *s.* 3 *d.*, and they fined us 300 *l.* for not starting, and 16 *l.* 3 *s.* 5 *d.* also for being over time; our contention in the arbitration which is coming on is, that we certainly cannot be punished twice for one offence; we thought that we discovered a disposition not to treat us well, and we thought we had better have done with it; and this was after the Post Office wrote in the month of March to say that we appeared to be doing our business well, and they recommended the contract to be continued for nine months more, our contract having been only taken for three months in the first instance.

347. I asked you if you had built any new vessels lately?—Yes; we built two last year, two the year before, and we have one now building.

348. Did you tender in 1867?—We did.

349. And in 1868?—Yes.

350. Will you state the terms of your tenders?—In 1867 we were so unwise as to comply with the memorandum at the bottom of the tender that a prefer-

ence would be given to those tenders in which no alterations were made; and we filled up the blanks and sent it in, and to our mortification afterwards we found that other people had got much better terms.

351. What do you mean by much better terms?—They had more time.

352. And anything else?—And also, I think, although we took it from Southampton to the pier in New York, the other companies took it from more favourable points.

353. What company got more time than you did?—This return to the House shows it. I do not know whether the Committee will be disposed to review the different terms in the different cases. The North German Lloyds' had their mails taken from them at the quarantine ground at New York, which was a great consideration, because in the event of fever or small-pox, or anything of that sort occurring on board, your vessel could not possibly get up to the post-office, and you would be detained at the quarantine ground; and again, the quarantine officer does not come off between sunset and sunrise. Their time would end at the quarantine ground, whereas our time counted till the delivery of the mails at the pier. I have not with me a copy of our contract.

354. In tendering, in 1867, did you suppose that all parties would be put upon an equality?—Of course we did, naturally. We never supposed that any preference would be given to one over another. Then the Cunard Company had a large annual payment given them The Inman Company tendered as we did. I do not see clearly from this paper whether they made any modifications, as compared with the tender, or not, but it is certain that they got a different rate. Here is a copy of the contract with Mr. Inman, showing that he only got 1 *s.* per ounce, whilst Messrs. Cunard and Company got 80,000 *l.* a-year. Mr. Inman wrote very naturally a very indignant letter, and asked that his tender might be cancelled. I have here the correspondence which took place. He got a reply, to say that the Government would have been prepared after six months to grant him a contract for a like term, calculated upon a similar principle to that of Messrs. Cunard and Company's. We never got any such answer.

355. In 1868, I believe, you put in another tender, not quite so liberal towards the public?—You know our directors have got to be just to their proprietors.

356. The tender you put in in 1868 was not quite so liberal towards the public, because in 1867 you found that you had not been treated upon equal terms with other tenderers?—We profited by our past experience, and therefore we made alterations in the tender. We were willing to go up till the end of November at the 1 *s.* per ounce, having the extended time which we found had been given to the other companies, and having also a condition that we should not be fined for not starting at two o'clock, provided we made the passage within the stipulated time. And we asked further, that if we were required to perform a weekly service (we had been told, at the Post Office, that anything but a weekly service would be extremely inconvenient to them and to the regular trading public), if they would not dispense with one service; that is to say, take a fortnightly, instead of a weekly, service during the months of December, January, and February, we should have 12,000 *l.* additional. That 12,000 *l.* was not nearly the cost of running those extra vessels; but we thought we might fairly ask for that sum towards the expense of the voyages which we should not otherwise have made.

357. Do you consider that the prestige of carrying the mails is of importance?—Yes, it is a great advantage, because the American public ask no questions when they know that it is a mail steamer; they take it for granted that a mail steamer is all right, and they understand the economy of time as well as any nation.

358. Then a steamer which carries mails from England to the United States is more likely to get passengers and goods to carry from the United States to England than one which does not carry the mails from England to the United States?—Yes; from England to the United States, or from the United States to England.

359. I suppose that if you had no contract with the Government, and did not carry any mail bags, you would still start punctually?—Yes. We might not start at two o'clock just; if a portion of the cargo were late in arriving, or if the

the weather were bad, or if there were any delay from extra nightwork, we might delay an hour or two, but we should always start nearly at that time; we should always save the tide.

360. And you would endeavour to get to New York as quickly as you do now?—The statistics I have given you prove that in November and December last, when we had no mail to carry, and no subsidy, we went just as fast as we had gone in the other months of the year when we were carrying the mails.

361. Have you lately made an offer to the Government to convey the mails from Queenstown every Sunday for 25,000 *l.* per annum?—Yes.

362. Subject to the same terms and conditions as are contained in the Cunard and Inman contracts?—Yes; to leave Queenstown every Sunday afternoon, and to be bound in every way the same as they are, except as regards clause 18 of their contract. Our vessels being under a foreign flag, our company did not think that they were justified in agreeing to the conditions that the Lords of the Admiralty should be at liberty to take them to serve at British transports.

363. Did you make any stipulation for a term of years in this offer?—No.

364. Would you have contracted for a term of years if the Government had wished it?—Clearly it would have been a great advantage to do so; the telegram I received states it shortly. "We offer to take mails from Queenstown to New York every Sunday afternoon at 25,000 *l.* per annum, at same conditions as stipulated in contracts with Cunard and Inman, now before Parliament, except clause 18."

365. Mr. *Hamilton.*] When was it that you offered that?—We offered it, I think, on Friday the 12th of March.

366. Last year?—No, last week; I think the 12th was Friday.

367. Mr. *Seely.*] Would you be able to commence that service at once?—We would have began it last Sunday. I do not know whether I may be allowed to state what induced us to make the offer; the fact was we had heard that the Cunard Company had written a letter to the Government to say that if a certain motion was carried their boats should not call at Queenstown next Sunday. I communicated with my company, and they telegraphed at once to say, "We will take the mails" on the terms I have stated to you.

368. And you had a boat ready to put on at once?—Yes; we had a boat ready to sail on Saturday from Havre.

369. You did not offer to perform the service in any given number of hours?—No, it was not necessary, because Messrs. Cunard and Mr. Inman had no time specified in their contract.

370. As I understand it, in consequence of your losing the mails you have ceased to go from Southampton?—We did cease to go from Southampton. When we found at the end of last year that we no longer got the mail, we found that our interest was in going from Havre, and we have abandoned Southampton altogether. To call at Queenstown would suit us perfectly, because it is only osing a few hours calling for the mail.

371. Do you carry mails from the United States to this country?—Yes, every week.

372. On what terms?—Fifteen cents currency per ounce, that is about 6 *d.* per ounce.

373. Are you allowed to use any boats you please in that service?—No; the American Postmaster adopts a system which I should be very glad to see carried out in this country. He judges of the performances of boats in each year by their performances in the past year, and he bars certain boats; the Postmaster at Washington carries out that system. This is the agreement, we are allowed to carry the mails by certain boats, "with privilege to substitute, if one of the above steamships, now all in perfect order and condition, should require any repairs, either of the following steamships" which are named upon that bill. The bill includes seven boats which are at work now carrying the mails, and an eighth which is building; we have power only in the event of one of those boats breaking down to employ one of the others: these have been mails boats ever since they were built.

374. Mr. *Greaves.*] Where were those boats built?—All on the Clyde.

375. Who built them?—Messrs. Caird & Co. of Greenock.

376. Mr. *Seely.*] Will you give us the tonnage and horse-power of those vessels?

vessels?—They vary a little in tonnage, you might take all those vessels at from 2,500 to 2,600 tons.

377. What is the horse-power?—The horse-power is about 600, as nearly as may be.

378. Mr. *Talbot.*] They are all stated here in this small paper of yours at 3,000 each?—That is a little fiction that we indulge in in steamboat matters.

379. Mr. *Hamilton.*] Are they all screw vessels?—Yes, they are all screws.

380. Mr. *Seely.*] Do you come to Southampton on the return voyage?—We come to Cowes inwards, and a steam tender goes down to Southampton and takes the mails and passengers.

381. Do you think that subsidies are necessary for a rapid and punctual service between this country and the United States?—I should say not; I hardly know what you include in the term subsidy. If you will make it worth their while you will always get the Bremen and Hamburg Companies to come in and take the mails

382. By a fixed subsidy I mean a fixed payment irrespective of the quantity of letters carried, such as Messrs. Cunard's 35,000 *l.* for one service?—I believe that if the Government were in the market, and wanted the mails carried, they might get them done for less, and get the business done as well too.

383. Do you believe that it is necessary to pay a certain amount of money per year, irrespective of the number of letters carried, in order to obtain a rapid and punctual service?—No, I think the American plan is by far the best; the Postmaster puts it up annually; by that means you secure the fastest ships, provided always that the rate offered is sufficient to make it worth while for the companies to carry the mails. I do not think that the sum we earned last year was enough to make it worth our while to carry a mail, and to be bound in penalties.

384. In dealing with the Post Office of the United States, have you to name a price at which you bring the letters, or does the American Post Office fix the price?—I have never been in the United States, but I believe that the Post master fixes the price, and I know that at present it is 15 cents the ounce.

385. Something has been said with regard to encouraging British ships, are your ships British?—They are under the flag of the North German Confederation.

386. Were they built here?—No, they are built at Greenock, on the Clyde; all of them were built there, except one, the "Allemannia," which has been built at Southampton.

387. But every vessel you have has been built in England?—Yes, and the engines too.

388. If one line of steamers has a large subsidy, and another line has not, is not the former line placed at an advantage in carrying goods?—If the expenses of a certain trade amount to a certain sum, of course that sum has got to be recouped.

389. I think you have explained to the Committee partly why you did not perform the service in 1868 for more than 10 months; have you anything further to say upon that head?—No, nothing occurs to me at the moment.

390. What is the rate per ton that you charge for goods from Southampton to the United States?—About from 35*s.* to 40*s.* per ton now.

391. If you had to build steamers, knowing that you would carry no mails, should you build them of a different kind from what you would build if you knew that you would have to carry mails?—We should build them as fast as we could get them now; we should make no difference whatever consequent upon our having to carry mails or not; the only difference would be, perhaps, a sorting-room, which might be fitted up on board; a little place fitted on deck or below would do.

392. Would you be put to any extra expense in conveying mails beyond what you would be put to in conveying similar goods?—No; except that we should be burning more coal; of course when we carry mails we are always tearing away and keeping up a good deal of speed. I do not mean to say that we should not keep up the same speed if we had no mail to carry; I think we should nearly.

393. Is there any other expense that you would be put to in consequence of your carrying the mail?—It is very trifling, hardly worth naming.

394. You offer to call at Queenstown?—Yes.

395. Can you state to the Committee whether a Liverpool shipowner, having ships

ships sailing to the United States, would sustain any loss by calling at Queenstown?—It depends upon whether his earnings are dependent upon carrying emigrants or not, whether he would call at Queenstown for his own purposes. If he did not call at Queenstown for the purpose of carrying emigrants, or either first, second, or third class passengers he would incur a certain expense and a little loss of time in hauling up for Queenstown Harbour.

396. Would that amount to much?—No, not much.

397. How much would it amount to if he called in for mails?—There would be just the expense of a tender coming off; perhaps there might be some little extra expense for pilotage if his captain was not well acquainted with the harbour; it would be very little, because they would never go within the harbour; they would never go inside the lighthouse, or very rarely.

398. Do you know whether as a fact all the lines of steamers from Liverpool to New York call at Queenstown?—All the steamboats in the New York trade do.

399. Mr. *Hamilton.*] Whether they carry mails or not?—Yes; the Guion Company, the National Company, and all of them do for emigrants.

400. Mr. *Graves.*] You told us what rate the American Government allowed you for carrying letters to England; can you state what you are allowed for carrying letters outwards to foreign countries?—I can only say from hearsay, not from knowledge; it is two silver groschens a letter.

401. What is that?—About 7 *d.*; the company are paid at a rate per letter, and I have heard that what they receive amounts to over 5,000 *l.* a year.

402. Have you any objection to letting us have it approximately?—No; I will telegraph to the company, and I have no doubt they will send it; but I really think the Post Office officials have it (and I suppose some of them will be heard before you), because one of them called upon me this morning to know how many voyages we had made to earn that amount; I told him 44.

403. Would that sum you have stated include the English amount?—No; this is Prussian.

404. So that before you call at an English port for letters you are earning 20,000*l.* per annum?—Yes, from a foreign Government.

405. If the conveyance of a mail assists in lowering the price for the conveyance of goods, the having two subsidies and two ocean postages would be an advantage?—It enables us to compete with other highly subsidised lines.

406. Do you happen to know whether the North German Confederation when they made the contract with your company advertised for tenders?—I do not know; I really know very little about it; I am only the agent for the company for England.

407. Or whether they carry the mails under their own flag?—I do not know about the flag.

408. Mr. *Hamilton.*] Did you not say that you asked for an allowance of 12,000 *l.* in consideration of your running through the four winter months?—Through the three winter months; we asked either for that or to be allowed to run a fortnightly instead of a weekly service in the months of December, January, and February, in which case, had the Post Office accepted the fortnightly service for those three months, we should only have got the 1*s.* an ounce, and been paid at the rate of 5,412*l.* per annum for those three months.

409. You are not under contract now?—No, we are not under contract now.

410. Now that you are not under contract, is the Committee to understand that you only run a fortnightly service in those months?—No, we run a weekly service now.

411. Then why did you make that application to the Post Office?—Because those are the dull winter months, and we did not want to be compelled to run a weekly service then; we had in former years generally run a less number of boats in those months.

412. Do you actually send a boat every week?—Since February 1868 we have done so; indeed we have done so the whole of this year.

413. Did you in the month of December last?—We missed one in December, but then we began to run from Havre, and then we changed our plans and began to run weekly, and since that time we have not missed any.

A. Duncan, Esq.
17 March 1869.

414. Then you cannot say that your service is as regular and continuous as it would be if you were under contract with the Post Office?—It has not been under contract with the Post Office just lately, and now we are going weekly; we have gone weekly since the first of this year, and I see no reason to doubt that we shall have weekly departures during the whole of this year. It was with that view that we tendered to go to Queenstown.

415. What was the number of hours you tendered for your service when you were under contract with the Post Office?—I think it was 276.

416. When you tendered the last time to do it for 25,000 *l.* a year?—We wrote to the Treasury last week.

417. You did not offer to be bound to time?—No, because Messrs. Cunard and Mr. Inman are not.

418. Is not the Inman Company bound to time?—No, not at present.

419. Do you mean that the Post Office have no control over those two companies with regard to time?—Yes, they have none whatever.

420. They trust to them entirely to do the best they can?—Yes, they trusted Messrs. Cunard entirely last year, but they did not trust Mr. Inman; they tied him down to time last year; but now they are united, and have got better terms.

421. Do you know whether the United States Government have ever paid a subsidy?—I do not; since we have been carrying their mails, they have not; the payment has always been by a note, that is for the last 12 years.

422. At per ounce?—Yes.

423. Has it been a uniform rate?—I cannot tell you whether during the last 12 years we have always had the same rate.

424. What is the rate now?—15 cents currency per ounce.

425. You do not know what your company have received from the United States in the year?—I do not; I have engaged to send a telegram to my company and inform the Committee what the amount is to-morrow.

426. Do you consider that it is much more advantageous to a company, supposing the fixed subsidy is of a moderate amount, to have a fixed subsidy, than to carry the mails at a rate per ounce?—Decidedly; you know what you are doing; when we tendered at per ounce in 1867, we thought we were going to get 30,000 *l.*, and we had the miserable result of 5,412 *l.*; it is explained by a gentleman in the Post Office to us in this way, that we did not get so many letters in consequence of our starting on the Friday; you heard just now that the Bremen Company got 9,000 *l.*

427. *Chairman.*] £. 11,000 gross?—They got 11,000 *l.* gross, and I am told that it is because they were very fortunate in the time of departure; the Cunard boat cleared out the letters posted up to Saturday night, and the Bremen Company got all the accumulation of Saturday night, Sunday, and Monday morning; whereas we had only the accumulation between Wednesday night and Friday morning coming to Southampton.

428. Mr. *Seely.*] Would your experience deter you from renewing the contract upon those terms at per ounce?—No, it would not; my company offered, and tendered in October last year, to do the same thing again at the same price.

429. At per ounce?—At 1 *s.* per ounce; here is a copy of their tender (*producing the same*); we were willing to do it at 1 *s.* per ounce, not because we thought it very remunerative, but because we thought that was as much as we were likely to get; but we said, "We do not want to be compelled, for the benefit of the British public, to send boats when we do not intend starting them, and, therefore, if the Post Office insist upon weekly departures in December, January, and February, we must have 12,000 *l.* towards our expenses"; this 12,000 *l.* would not meet the whole expenses of running the extra boats, but they would go towards meeting them.

430. I observe that the price of a first-class passage in your boat is 24 *l.*?—It is 23 *l.* actually; we have raised it a sovereign now, because we have to send them over to Havre.

431. Do you know what the Messrs. Cunards' charge is?—The Cunard charge by a slow boat is very small; their rates vary.

432. What is it by a first-class boat?—I think it is 26 *l.* or 27 *l.*, up to 30 *l.* even; but in their slow boats it is much less; it is 16 *l.* or 17 *l.*

433. You do not find yourselves underbid, then, by Cunards?—Of course we

are by the Wednesday boats; Messrs. Cunard have got two different sets of boats; they have six fast boats and 14 slow ones; in fact, not all the 14 are employed, but only part of the 14, but their names figure; however, by the Wednesday boats he takes cabin passengers, I think, at 15 *l.*, and I am certain he takes them at 16 *l.* or 17 *l.*

434. Do you suppose that he is enabled to do that by the subsidy he gets from the Government?—I should consider that it helps.

435. *Chairman.*] Do you carry any French mails from Havre?—No, not under any subsidy with the French Government; we have not a lump sum.

436. But do you carry any mails at all?—I suppose the merchants of Havre put letters on board our vessels.

437. Are you paid so much per ounce for carrying them, or what?—I do not know that exactly; I can ascertain, and acquaint the Committee with the fact at the same time as I acquaint them about the other matter to-morrow. The fact is, I am agent for the Hamburg-American Company for England; I have pretty free hands as regards the limited kingdom, but I do not trouble myself about their arrangements on the Continent.

438. As regards the German postage which you receive, supposing it to be a sum of 30,000 *l.* a year you were paid, you are paid for the quantity of letters you carry?—Yes.

439. It is not in any sense a fixed sum?—It is not in any way a fixed sum.

440. And therefore if you did not carry those letters, we may presume that you would carry some cargo or something else in their place?—Yes; but the space they occupy is not large, a few tons.

441. It must not be put in the light of a subsidy from a foreign Government?—No; the company have a rate postage for the letters they carry; and it is only the last year or two that it has amounted to anything like thi sum.

442. Are you under penalties from the American Government if you do not perform your return voyage in a certain time?—I am not aware of any penalties.

443. You closed your contract with the Post Office of your own accord last year?—Yes, thinking that we were not well treated.

444. Do you think that it would be possible with the existing lines of steamers to arrange for a regular departure of mails four times a week to America?—Quite easily, in fact, you may have five; assuming that you keep on the Cunard and Inman; with two of the Cunard, you may have six.

445. I was rather thinking of four first-class departures?—You have two very first class, the Hamburg and the Bremen, besides Guion's; I think Guion's boats are first class, though I speak under correction of the honourable Member for Liverpool, who knows probably more than we do about Guion's boats. We think his performances have been very extraordinary; we have a notion that his doings are remarkable; I will hand in the tables of the passages of the different steam lines. *(The same were handed in.)*

Vide Appendix.

Thursday, 18th March 1869.

MEMBERS PRESENT:

Mr. Dent.	Mr. E. T. Hamilton.
Mr. Graves.	Mr. Seely.
Mr. Greaves.	Mr. Talbot.

JOHN DENT DENT, Esq., IN THE CHAIR.

Frederic Hill, Esq.; Examined.

446. Mr. *Seely.*] ARE you the Assistant Secretary of the Post Office?—I am.

447. The Committee asked for certain memoranda and papers; have you brought them?—No, I have not. I gave directions for their preparation, and I need not say, so far as I am concerned, I could not have the slightest wish to withhold from the Committee, even if I had the power, any document to which I was ever a party. During more than 30 years that I have been in the public service, I never wrote an official document of any kind that I should have the least objection to see posted up at Charing Cross; but I have the Postmaster General's instructions to say that if the Committee wish to have any other documents than those which are before the public, he, as the head of the department, would wish that they should apply to him, and that he would be ready to attend the Committee.

448. I suppose you have considerable experience of the packet service?—I have, very considerable experience.

449. How long had you the management of it?—I had the secretarial management of it for about 10 or 11 years. Up to the year 1860, there was comparatively little for us to do at the Post Office in connection with the packets, inasmuch as up to that time the contracts were entered into, not by the Post Office but by the Admiralty; but although we had not the direct management of the packet service, I believe that we were able materially to influence the service for good. So far as the Post Office was concerned, I had the secretarial management for three or four years before the year 1860. In that year the management of the packets was transferred from the Admiralty to the Post Office; and then I had the enlarged superintendence which that transfer entailed from the year 1860 to nearly the end of the year 1867.

450. Then in the year 1867 you ceased to have the management?—I did; partly in October of that year and partly in November the service was withdrawn from my charge; and in December of the same year the remaining portion of the packet service, and the whole of the Foreign and Colonial Department, of which that service forms a very important portion, were withdrawn from my hands.

451. Is there any document in the Post Office laying down the principles upon which the postal packet service was to be conducted?—There is; it is a Treasury Minute of the 16th April 1860.

452. *Chairman.*] Is that Paper before Parliament?—No.

453. Mr. *Seely.*] Who made that Minute?—It was a Treasury Minute sent to the Post Office for our guidance.

454. Can you state briefly the purport of it?—It gave the Treasury approval, generally, to the principles which had been submitted by the

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Post Office as those upon which it would be expedient to conduct the packet service. The main principles were that the service should, as far as possible, be rendered self-supporting in all its parts, and that long contracts should, as far as possible, be avoided. I think I may say those two were the main principles. I may add, according to my recollection, there was another important provision which is in accordance with a recommendation made in the report of a Committee presided over by Lord Canning, in 1853, and of which Sir Stafford Northcote was a member; a recommendation that as far as practicable the payment for packet service should rise and fall with the number of letters conveyed, that it should not be a fixed sum, but a sum varying with the number of letters: so as to present to those who conveyed the mails a constant motive for exertion, inasmuch as if they did their service well they would get large mails and a large payment, while if they performed it ill they would in all probability get small mails and small payments, their ships being overtaken by ships belonging to other companies; those three may be considered the great principles involved in that Minute.

455. Has any alteration been made in that Minute?—None that I am aware of.

456. Do you consider these contracts which we are now considering to be in accordance with that Minute?—No, I do not; very far from it.

457. Will you state what objection you have to these contracts?—Both contracts (I am now speaking of the Cunard Company's contract and the Inman contract) are for long periods, for fixed subsidies, and are not self-supporting; and there is in each an omission of security for the good performance of the service.

458. By "no security for good performance of the service," you mean mainly that no time is fixed for the performance of the voyage?—Yes; there is no stipulation that the voyage shall be performed in a certain time, with a provision that if that time be exceeded there shall be a penalty or a deduction from the subsidy.

459. Will you explain on what grounds you think these contracts are not self-supporting?—The payment that would have to be made under them, as the Committee is aware, would be 105,000 *l.* a year; while as well as I can estimate, the receipts to meet that payment would not be more than from 50,000 *l.* to 60,000 *l.* It should be borne in mind that a contract with any other company having a ship sailing quickly on the day before, or the day after, either of the Cunard or Inman ships, would necessarily subtract very considerably from the receipts; any diminution also that may take place in the rate of postage would, of course, also necessarily subtract from them. I estimate the whole amount of postage available for payment to all the companies with which contracts may be entered into for the American service, as not more than from 70,000 *l.* to 80,000 *l.*; and from that sum large deductions will, I am confident, have to be made before the residue is determined wherewith to pay the Cunard and Inman Companies.

460. When you speak of 70,000 *l.* to 80,000 *l.*, do you speak simply of the sea postage?—I do; the sea postage is the only postage which legitimately belongs to this service. For carrying on a good correspondence with America or any place abroad you require two things; you require a good inland service, and you require a good sea service; but neither will stand without the other; therefore I have always maintained that the inland service has just as good a claim to its portion of the postage as the sea service has to its.

461. At page 6 of the Parliamentary Paper, No. 77, it is stated by the Postmaster General that the total postage is estimated at 112,000 *l.* for the year 1869; how much would have to be deducted for the inland postage?—Something like a third.

462. Would not it be precisely one-third?—It would be precisely one-third in the case of the international letters, but not one-third with regard to letters passing through this country, and which we convey for foreign countries to America.

463. If we deduct one-third, would not that be about the amount for practical purposes?—Yes, roughly speaking, it would be about the amount.

464. Then there would be, according to that, 75,000 *l.* left as the amount estimated for sea postage for the year 1869?—Yes.

465. You state that you think the postage which would arise from the Cunard and Inman contracts would be about 50,000 *l.* to 60,000 *l.*?—Yes; of course

course it is a matter one cannot pretend to be precise about, but I do not think it would be more than about that sum.

466. But supposing the Post Office should give up the North German Lloyd's contract, and confine the conveyance of letters to the Inman and Cunard Companies' vessels, then would not the postage realised by those vessels be about 75,000 *l.* a year?—There is no doubt that if the department could take up and maintain such a position as that, viz., that notwithstanding the swift ships belonging to other companies going with as much regularity as the Cunard and Inman boats, and which are bringing mails from America to this country, no mails should go by them from this country, it would have the effect of throwing all this 75,000 *l.* into the fund necessary for paying the Inman and Cunard Companies.

467. *Chairman.*] The question put to you was, if the Government did carry out their notice to the North German Company to terminate their contract, it would, as a fact, throw the whole postage into the Cunard lines?—Even in that case it would only be so long as the present arrangement exists with regard to the postage of letters carried by private ship.

468. The question was put to you whether, under present circumstances, with a notice which has now, as I understand, been given to the North German Lloyd's Company, to terminate their contract, if that notice were carried out, it would not practically throw the postage into the hands of the two Liverpool companies?—Yes, if all other circumstances remained as they are.

469. Mr. *Seely.*] Perhaps your answer was based upon the supposition that it would be scarcely possible for the Post Office to avoid entering into other contracts for the conveyance of letters?—That is my position; I do not think it would be possible.

470. And that I apprehend was the reason why you fixed the sea postage which would be earned by the Cunard and Inman Companies at between 50,000*l.* and 60,000 *l.*?—Yes.

471. Did you ever put your objections to these contracts before the Post Office authorities?—Yes, I did, in two very full Minutes; one memorandum in October 1867 with regard to the service which was to begin at the beginning of 1868, and another memorandum, which, by the direction of the present Postmaster General, I prepared and laid before his Lordship in December of last year; it is dated December 24th.

472. *Chairman.*] With regard to what you considered to be third point of defect in these contracts, viz., the absence of security for good performance, will you explain what security for the good performance of the contract you consider to be absent from these contracts?—The great security that is afforded by a stipulation that the voyage shall be performed within a certain time, and that if it be not performed within that time, a penalty shall fall upon the contractors, either in the shape of a deduction from their subsidy or in a direct form.

473. Mr. *Seely.*] Will you state to the Committee why you object to contracts for a long term of years?—They fetter the department, debarring it from taking advantage of those improvements in steam conveyance which now follow each other in such rapid succession, and from using, to the best effect, the augmentation of traffic on the lines to which they apply.

474. It has been stated that an increase of 10 per cent. per year in the amount received for postage is likely to take place; is that your opinion?—No, it is not; from the very long experience I had with reference to the packet service, I am quite satisfied that that is greatly over estimated. In the analogous case of Canada, where some years ago the same reduction was made in the postage that has recently been made with respect to the United States, that is from 1 *s.* to 6 *d.*, the rate of increase in the first two years, to which alone the examination was extended, according to my recollection was only 5 per cent. It took two years, I believe, for an increase of 10 per cent. to take place: whereas, the rate of increase that Mr. Hunt contemplates, according to his recent speech in the House, is 10 per cent. annually. We have found over and over again with respect to distant places, for example in the cases of Buenos Ayres and China, that a reduction in the rate of postage has not nearly so much effect upon the number of letters as increased speed of conveyance, and more frequent opportunities; therefore I should not expect any reduction in the postage to very distant places to be followed by a rapid increase in the number of letters.

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475. Do you think that the contracts we are now considering would have a tendency to prevent a great reduction in the rate of postage?—I do.

476. For instance, coming to an Ocean Penny Postage?—I think, certainly, if the principle which has for many years been the rule of the Post Office that, as far as practicable, every department should be self-supporting, a principle strongly upheld by my brother, Sir Rowland Hill, is to be maintained, the adoption of these contracts would in my opinion prevent a reduction to the extent of one farthing, during the whole of the eight years, in the rate of postage.

477. Were you concerned with either of the Postal Conventions with the United States?—I was. The first negotiation, that is to say the convention which came into operation at the beginning of last year, was negotiated by myself.

478. That was the convention entered into in 1867?—It was entered into in 1867, but it came into operation in 1868.

479. Had you anything to do with the other convention?—No; I had nothing at all to do with the new convention. The new convention effects certain alterations in the convention which I had the honour and pleasure of negotiating; after a time fault was found with that convention; it had the support of the previous Liberal Government, and indeed, up to its ratification, of the late Government; but after it had been ratified, and after the packet service had been, in effect, taken out of my hands, fault was found with it. Even before it had come into operation the American Government was informed that at the earliest possible day notice would be given to terminate that convention. The convention provided that it could be terminated at a year's notice, and notice was given to that effect; but the American Government was informed that the British Government would be ready to enter into another convention, and another convention was entered into; it is the same convention as that that I negotiated, with some alterations. In my humble opinion, not one of those alterations is for the better, and some of them are materially for the worse.

480. *Chairman.*] What is the date of the convention you entered into?—The date of the convention I negotiated was, I think, June 1867.

481. There has been another since then?—Yes.

482. Mr. *Seely.*] On the 18th of June 1867 the convention which you negotiated was signed in London?—Yes.

483. How long was it after that convention was signed that notice was given to the United States that the British Government would terminate it?—Between five and six months.

484. Can you briefly explain to the Committee what difference there is between the first convention and the last?—By the first convention the postage was reduced from 1 *s.* to a maximum of 6 *d.* Each country was to be allowed to fix what postage rate it might choose, provided it did not exceed 6 *d.* By the new convention the maximum was made the minimum also, the rate being fixed absolutely at 6 *d.* The present position of the matter is this, that if this country were most strongly impressed with the expediency of reducing the rate of postage to America, it could not, without the consent of America, make such a reduction; and it is the same with America itself.

485. *Chairman.*] Have you the date of the new convention?—The new convention came into operation on the first day of this year.

486. Mr. *Seely.*] Have you any other point of difference between the one convention and the other to remark upon?—Another point was, that whereas it had been previously left to each country to fix its charge for newspapers, books, and other printed matter, by the new convention the charge for newspapers is fixed at a penny.

487. You mean to say we are under stipulations which prevent us making any reduction, either in the rate of postage of letters or books, and newspapers and other printed matter?—Yes; but I would say that the postage of newspapers having been brought down so low as a penny, I do not consider there is any practical difficulty created with respect to reduction, because I should not imagine for a moment that any postage of a newspaper to America less than one penny could be contemplated.

488. When you enter into a contract with the North German Lloyd's or the Hamburg Company, or any other company, on the principle of paying for the letters

letters conveyed, is not it universally the case that you never give them less than the sea postage?—When we have entered into a contract upon that principle (there have not been many such contracts), it has been the rule to give the sea postage; that sea postage to be reduced if the time exceeds a certain number of days.

489. But the principle is to pay them the sea postage?—Yes.

490. That is now the case with regard to the North German Lloyd's, and was the case with regard to the Hamburg Company?—Yes.

491. And was also the case with regard to the Inman Company in 1868?—Yes; that principle is perfectly consistent with the principle of self-support.

492. The payment is at present 1 *s.* per ounce, is it not?—Yes, which I roughly estimated, taking round numbers, as the amount of sea postage.

493. Do the United States pay over to the shipowners the whole of the sea postage?—No, they do not; they get their work done more cheaply.

494. Do you know how much they do pay?—I believe they pay, instead of 1 *s.* an ounce, 15 cents currency, which is not more than about 6 *d.* of sterling money.

495. Then according to that the United States obtain a service similar to ours for about half the amount?—Yes.

496. Do you know whether their service is well performed?—I believe it to be so; since the packet service was withdrawn from my charge, I have not the same precise knowledge of it, but I believe it to be very well performed.

497. *Chairman.*] Have you heard of any complaints as to the delivery of letters from America?—I have not heard of a single complaint; if there had been any complaints, and they became sufficiently important to produce a Minute upon the subject, as one of the secretaries I ought to have seen it.

498. Mr. *Seely.*] Do you think that the service by the Cunard Wednesday's boats, called the slow cargo boats, is of much value?—I think it of little or no value.

499. Certain communications have passed between the United States Post Office and the English Post Office; can you put them in?—With respect to those communications, I have the same difficulty that I mentioned at the beginning.

500. If the tenders put in on the 1st of October 1867 had been accepted, we should have had one service performed by the Inman line, one by the North German Lloyd Company, and one by the Hamburg Company?—We should.

501. I think those tenders were made on the principle of paying the tenderers the sea postage only?—Yes, quite so.

502. And they were to start on a certain day?—Yes.

503. And perform the voyage in a certain time?—Yes.

504. And be subject to a penalty if they did not?—Yes.

505. The contracts we have are, I think, one by the Cunard quick line, one by the Cunard slow cargo line, one by the Inman, and one by the North German Lloyd?—Yes.

506. Then I think it is proposed to discontinue the North German Lloyd?—Yes.

507. The Postmaster General, I think, a night or two ago in the House, said he should not give the notice for the discontinuance of the North German Lloyd's line until this Committee had completed its labours?—Yes.

508. In making a comparison between the tender of 1867 and the contracts of 1868, I think we may omit the North German Lloyd?—Yes, that being common to both.

509. If so, would not the comparison stand thus: we should have for 1867 the Inman and the Hamburg Companies, and in 1869 two services by the Cunard Company, and one by the Inman?—Yes; but I would remark that the years you name are those in which the tenders were made; the service performed is, in each instance, a year later.

510. Striking out the slow service of the Cunard Company, then the comparison between 1867 and 1868 would stand thus: taking the tenders in 1867 we should have had one service by the Inman and one by the Hamburg Company, and now we have the Cunard quick line and Mr. Inman's line?—Yes.

511. Then the tenders of 1867 were for the sea postage, while the contracts for 1868 would be 105,000 *l.* a year?—Yes.

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512. Then in 1867 we should have had a penalty for over-time, and now there is no penalty: there is no condition as to time, and consequently no penalty?—According to the tenders of 1867 we should have had that penalty.

513. Is it your opinion that paying the sea postage, instead of paying by a fixed subsidy, has a tendency to promote speed and punctuality?—Yes.

514. So that, in fact, to put the case in a very extreme way, in 1867 we should only have paid for the letters that were carried; but in 1869, even if no letters were carried, or only a very few, we should still have to pay the 105,000 *l.* a year?—Yes, according to the tenders of those respective years.

515. I think that in the year 1866, the Postmaster General expressed an opinion to the effect that a daily mail was desirable, and that he thought it was practicable to obtain it (Parliamentary Paper, No. 42, page 23)?—Yes.

516. On the principle of giving the sea postage binding the parties to a fixed sum, and a penalty for over-time?—Yes.

517. This is an extract that has been sent to me from a paper entitled the "London Scotchman," dated Saturday, 20th February 1869; it is only the latter part that I want to call your attention to: "The time will come when there will be a competition to carry mails across the Atlantic for nothing, and an actual courting of penalties for non-fulfilment of contract; a consideration of the influence on passengers and freight consigners sure to be exerted by the knowledge that a company is entrusted, *par preference* with the mails, and bound in heavy penalties to be speedy and regular, will in course of time stimulate shipowners to compete for the mail bags; the principle has already come into operation at home; Mr. Burns, of Glasgow, holds the contract for the daily conveyance of mails between Greenock and Belfast; he undertakes to perform this service in all weathers free of expense, and besides, to pay an annual sum of 100 *l.* as penalty for improper performance of the duty; can it be doubted that Mr. Burns finds it to his interest to carry the mails under these conditions, and that as he does so now, others will in time do the same;" is it within your knowledge that Mr. Burns has any contract of this sort with the Post Office?—Yes, it is; as long as I had the superintendence of that matter, I had special knowledge that he did, and for a very considerable time, convey the mail with great regularity from Greenock to Belfast.

518. *Chairman.*] Do you think it a right principle for a public office to take service from private parties, and not pay them for the service?—I think the right principle for a public office is to get service well done upon the lowest possible terms.

519. Mr. *Graves.*] Does that arrangement continue now?—As far as my knowledge goes, it does.

520. Mr. *Hamilton.*] A contractor is sure to look after his own interests, is he not?—Certainly; I should say, from experience, that he is sure to do keenly.

521. Mr. *Seely.*] Are there any other matters that you desire to lay before the Committee in connection with this question?—First, allow me to go back for a moment to the rate of increase; the rate of increase with regard to the American postage has, during the last two or three years, been unusually rapid; but that is attributable to the cessation of the civil war. During the civil war the amount of the postage of international letters fell off very largely; to the extent of one-third. It has now, for some time, been recovering itself; but taking a long period, say eight or ten years, it will be found that the rate of increase in the number of letters is very far from 10 per cent.; it would be an extreme point to fix it at five per cent.

522. *Chairman.*] Have you any figures to show that it fell off during the American war one-third?—It is so stated in the Postmaster General's Eighth Annual Report; that for 1861.

523. Has the increase since been more than the recovery for the loss?—Not, according to my impression, as far as the accounts have been made up, more than the recovery for the loss, after allowing for the ordinary increase.

524. Mr. *Graves.*] Who is the responsible head of the department under the Postmaster?—Mr. Tilley.

525. Are you under his control?—To a certain extent I am; but it has always been the practice of the Post Office for the secretary and the assistant secretary to act very much as so many secretaries. We send our Minutes direct to the Postmaster General; we do not send them to Mr. Tilley, nor did we to my brother, Sir Rowland Hill, when he was secretary. Mr. Tilley and I, who were

were then the assistant-secretaries, sent our Minutes direct to the Postmaster General; I do so now; so does Mr. Tilley, and so does Mr. Scudamore.

526. Has Mr. Tilley the sole control of the foreign and colonial mails?—To a considerable extent he has the charge of the foreign and colonial department; most of the Minutes upon that subject are now signed by him instead of myself.

527. Has he deputed you at all to express his views upon this subject?—Not at all; these are my own views.

528. Do you know whether he agrees with you, or not?—I know he does not agree with me.

529. Is there any other permanent chief in that department, besides Mr. Tilley?—Yes, there is Mr. Scudamore.

530. Does he agree in the views you entertain?—No.

531. Is Mr. Pearson Hill, who gave his evidence yesterday, a clerk in the Secretary's office?—Yes; he is a first class clerk, and my private secretary.

532. Was he authorised at all to give his evidence yesterday by the Post Office authorities?—Not so far as I know; the Post Office authorities, I imagine, would not suppose that any authority was required to enable him to obey the orders of this Committee.

533. So that the Committee may assume that the views he expressed yesterday are not those of his chiefs?—Certainly not; so far as Mr. Tilley and Mr. Scudamore are concerned.

534. Mr. *Hamilton.*] Reference has been made to a Treasury Minute of 1860, which I understand expressed an opinion of the Lords of the Treasury against the system of fixed subsidies; has it ever been acted upon?—Yes; as long as the packet service was in my charge it was very carefully acted upon.

535. Do you consider the contract with the Peninsular and Oriental Company to be in accordance with that Minute?—No, I do not; when I say "acted upon," it was acted upon in spirit, as far as we could.

536. Do you consider the contract with the Royal Mail Company to be in accordance with that Minute?—No, I do not; the Minute of the Treasury enjoined great economy, and that great exertions should be made to effect economy. Of course that is only one point among others. It expressed regret that the cost of the packet service had been steadily increasing; it urged much greater economy, and much greater efforts to be made to make the service self-supporting.

537. Can you mention, leaving out of view these contracts across the Atlantic with the United States, or with Canada, any service in which the principles laid down in that Minute have been acted upon?—If you say "principles," of course that term would include all; it would include the avoidance as much as possible of long periods, and the avoidance as much as possible of any payment beyond what was absolutely necessary.

538. I am pointing more to the recommendation that in future those services should be self-supporting. Are you aware of any contract, putting aside these services across the Atlantic, in which that principle has been carried out?—The principle has been, I should say, very fully carried out in the minor services between Dover and Calais and Dover and Ostend; and with respect to the larger service to the Cape of Good Hope, by the last contract, the service to the Cape which, when the packet service came into my hands, was productive of a very heavy loss to this country, was brought so nearly within that principle that the remuneration consists of the sea postage augmented only by the inland postage.

539. Has not that Treasury Minute been acted upon in this way; that, instead of being applied to the abolition of the existing subsidised services, it has only been applied to the non-extension of subsidised services. I will give you a case in point; you may remember, some years ago, an application for a subsidy for the Australian service, *viâ* Panama?—Yes.

540. That was refused?—Yes.

541. And principally on the ground that it was a new subsidised service?—No; it was principally upon the ground that the Post Office attached but very little value to the service. We thought it was a mistake to convey letters by that route; that it would be far better to double the route by way of Suez than to have a route by way of Panama.

542. But the Post Office offered the sea postage to any contractor who would undertake the Panama service?—What the Post Office did was this: it gave good reasons for not granting a subsidy, but recommended the Treasury, as a

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temporary arrangement, without pledging the Post Office for the future, to allow the New Zealand colonies the use of its packets across the Atlantic without charge.

543. I suppose your opinion practically is, with reference to the services immediately before the Committee, that the time has arrived when subsidies may be dispensed with?—With respect to this service. And I may, perhaps, be allowed here to give this extract from the Report of the Select Committee of 1860, before which I gave full evidence upon the packet service. The Committee express themselves thus: "Your Committee cannot conclude their Report without recording their opinion that it is quite practicable to dispense with large subsidies in cases where ordinary traffic supports several lines of steamers, and that in the circumstances which have for some years existed in regard to the communication between this country and North America, no such subsidies are required to secure a regular, speedy, and efficient postal service."

544. And you endorse that opinion entirely?—I entirely agree with that opinion, and say the case has been strengthened since then by the further development of the traffic.

545. Is it your opinion that the rapidity, or punctuality, of the delivery of postal matter would suffer by doing away with these subsidised services?—No; and even if it were, I believe the injury would only be temporary. If a firm attitude were taken and these subsidies were refused, and the two companies informed that they might have the sea postage, but only the sea postage, I have little doubt that in a very moderate period it would be found that those companies would not consent to lose the large payment that they would have under that arrangement, especially when they bore in mind the power which the law gives us to send mails by their vessels with, or without, their consent, at the low charge I have mentioned to you; generally 1*d.* per letter.

546. You think there might be some temporary derangement in the rapidity and punctuality of the delivery of postal matter if the subsidies were immediately terminated?—I think there might.

547. That would rather point to a gradual termination of this system across the Atlantic, would it not?—No; I think the time has arrived to terminate it at once. I think if the contracting parties knew that they could not get more they would be willing to receive the sea postage. Mr. Inman showed his willingness last year, because those were the precise terms on which he offered to do the service. When the Cunard contract was renewed last time, in the period of the Derby Government, six or seven years ago, Mr. Inman sent a letter, which we forwarded to the Treasury, expressing his perfect readiness to convey letters for the sea postage; and he has over and over again expressed that willingness; therefore I do not think he would be long in again expressing a similar willingness. In the meantime the boats of both companies could be used, to a very considerable extent, for the conveyance of ship letters, as we call them. Any person has nothing to do but to put outside his letter by what ship he wishes that letter to go, and it is our practice always to send it by that ship to any part of the world. Therefore if any one preferred his letter going on by one of the Cunard or Inman vessels, it would go by it. I may mention that the Hamburg-American Company, which does its work very well, has, I believe, expressed its full willingness to start its boat from Southampton on the Saturday. In my memorandum of October 1867, I stated with respect to any difficulty, imaginary or real, about having no boat to convey mails on a Saturday, that I had full reason then to believe that the Hamburg-American Company would, if they were negotiated with, start their boat on the Saturday. I knew, as a matter of fact, that in choosing the day of the week on which their boats should start, they came to the Post Office and inquired which day would most likely give them a large mail; and the discontinuance of the Cunard boat would immediately have made Saturday by far the best day. Saturday, for the starting of the boat, has been urged upon us several times by London merchants and others, as a preferable day to the day we have now, which is, in effect, Sunday, that being the day on which the Cunard steamer leaves Queenstown; whereas the applicants expressed a wish that the boat should leave on the Saturday. Indeed, the Cunard Company were communicated with on the subject at the time I had the secretarial charge; but they said, and reasonably, that as their contract was about coming to an end, they should not like to contemplate any change of their day.

548. You stated that you do not consider the second service of the Cunard Company

Company by the slow-going boats as of any value at all?—I said, of little or no value.

549. You would not say the same with reference to their service by the fast boats?—No, that has been very well performed. I desire to take this opportunity of saying that the Sunday Cunard service has been very well performed.

550. In view of the temporary derangement which you think might occur in the case of the immediate abolition of those subsidised services, do you think it would be worth while to retain, not for eight years, but for two or three years, the swift service of the Cunard Company under a subsidy?—No; the Post Office greatly objected to the last renewal, six or seven years ago; we did all we could to prevent it; that renewal delayed, for many years, the reduction in the postage from 1 *s.* to 6 *d.*

551. As to the Cunard slow service boats, they would stand no chance of being accepted in a tender against many of those first-class boats of other companies?—Not if the recommendation lay with me.

552. They are not of sufficient power and quality to do the service?—That is their reputation, and that reputation is confirmed by their doings since the beginning of the year; this, I think, was a point on which my nephew gave evidence yesterday.

553. I believe it is within your knowledge that the practice of the United States Government is to select individual boats according to the service they have already shown themselves capable of doing?—Yes.

554. Is it within your knowledge that they had ever accepted one of those slow cargo boats?—I have not the remotest idea that they have; I believe it is well known that they do not send mails by them.

555. It is not within your knowledge that the American Government has ever selected one of those cargo boats?—It is not within my knowledge.

556. You have pointed out that one peculiar feature in these contracts is that there is no security for punctual service?—Yes.

557. Is it within your experience that a subsidy has ever been granted in another case without some such security being taken?—No, I do not know of any case. The kind of security that used to be taken is different from the security which has now for a considerable time been taken; but the present contracts contain neither the one kind of security nor the other. The security formerly taken was this: that the boats to be used should be subject to approval by the Admiralty; their plans had to be approved before they were built; and after the contractors had built their boats the Admiralty could call upon them to make alterations. That was the security formerly adopted; to see that boats were not built that were thought to be unfit for the purpose; but then we know, though you may have a capital boat, unless you are liberal in the supply of coal you go at a very slow rate; so that for some years the security which, at my instance, was adopted has been of a different kind This security is in accordance with the recommendation of Lord Canning's Report, that the contract should be made as simple as possible, and that it should consist chiefly of a stipulation that the voyage shall be begun at a certain time and completed in a certain time; and this subject to penalties.

558. And those conditions are not in the present contract?—No.

559. Is it within your knowledge that the Peninsular and Oriental Company and the Royal Mail Company are under conditions as to the time of starting and the time for performance of the voyage?—Yes.

560. It has been stated to the Committee that the practice of sorting letters on board has been abandoned; is that the case?—Yes.

561. Does the delivery of letters at the port of arrival suffer in consequence?—I believe not. The sorting which used to be done on board ship is now done on land. Thus the sorting of a mail received by us for delivery here *viâ* Queenstown, instead of being done on the ship, is done in the travelling post office.

562. You think, on the whole, it was incurring unnecessary expense to make those provisions for sorting on board ship?—As I have not now the detail of the management, I am not able to speak to the comparative expense.

563. As to the sea postage, say that you have a box of general correspondence weighing so much, what would be the number of letters you would reckon a fair average to the ounce?—That depends upon whether they are international letters or not. Letters which we are asked to convey for certain foreign countries, especially France, weigh much less individually than our

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letters. The French are accustomed to smaller weights, and they look more charily at additional postage arising from overweight. There are more letters to the ounce in a mail we should receive from France, or even from Prussia, than in an English mail.

564. Limiting yourself to the service across the Atlantic, what would be a fair average to take as the number of letters to an ounce, taking them altogether?—With respect to international letters originating in this country, and delivered in the United States, they would be rather more than three to the ounce; three and a fraction.

565. Does not it follow that in those contracts, upon the basis of paying the sea postage, you give a very inadequate remuneration to the ships?—No.

566. As I understand, you charge 6*d.* on each letter, therefore the postage on three letters would be 1*s.* 6*d.*?—Yes.

567. Then the sea postage would be what, upon three letters?—A shilling.

568. You pay the full sea postage?—As nearly as could be readily ascertained.

569. Do you think it is reasonable to deduct the full penny for the inland postage, considering that the service that you render is merely limited to the delivery of the letters in bulk, and that you do not deliver each individual letter; in the case of inland letters, you deliver the letters from house to house, while, in the case of the sea postage, you merely deliver the box of letters on board the ship, and you are entirely exempt from the heavy cost of the delivery of each letter at each particular house?—As regards those letters, we have, in every case, to collect the letters, and to convey them from the place of postage to the port of embarkation; in the case of every letter that goes out, we must collect it, we must tax it, and we must convey it to the port of embarkation; taking all the trouble about the bills and so forth; and with regard to every letter coming in, we have to convey it from the port of disembarkation to the town in which it is to be delivered, and have to deliver it at the house to which it is directed.

570. I am speaking with reference to letters out; the Post Office is saved the cost of the delivery of each individual letter; is it fair to deduct the whole amount of 1*d.* from the total postage, as representing the inland delivery?—I think it is; we take that penny as the charge for the inland service. The experience of the United States with regard to this very class of letters shows that the mistake, if there be a mistake, is rather the other way, in giving the sea service credit for as much as 4*d.*; for they get that service done for much less than 4*d.* Therefore, it would seem that if there be an excess in the charge for inland service it is not so great as the excess for the sea service. All this would point to a further reduction of postage, if the country be content with having a service with the United States that is self-supporting, but merely self-supporting, and not yielding a revenue.

571. I gather it as your opinion that, on the principle of paying for the conveyance of the mails by granting the sea postage, the Post Office could not make a more liberal allowance than at present, the rate of postage remaining the same?—That is my opinion.

572. Mr. *Greaves.*] In reference to security by way of fines for non-efficient performance of service, it was stated in evidence yesterday that the Hamburg-American Company on one occasion were paid for carrying a bag of letters 129 *l.* 7 *s.* 3 *d.*, that they were fined 300 *l.* for not starting at the proper time, and 16*l.* 3*s.* 5*d.* for being over time; do you remember that circumstance?—I think I do.

573. Do you think that the infliction of such fines would be submitted to by companies or by owners of vessels who were merely paid for the work done, and not by subsidy?—Yes; the fact of the North German Lloyd Company continuing to perform the work, and the Inman line continuing to perform it in 1868 without any complaint, so far as I am aware, shows there is that willingness to do the work under those restrictions. But I would say that it did not seem to me that the infliction of that penalty was within the spirit of the contract with the company. Of course a company coming from a distant place is not like one starting from the point of departure of the mails; they have a difficulty in hitting the time. The company said, according to my recollection, "It is true we were too late in arriving at Southampton, but we made so good a voyage across the Atlantic that the whole amount of delay in the letters was only so and so; and that would have subjected us to merely a deduction of so much; which we are ready to pay; we do not think the additional

additional payment of 300*l.* for the mere circumstance of our being too late, irrespective of the effect of that upon the voyage, should be inflicted." That would have been my view.

574. It would have been judicious, you think, on the part of the Post Office to have listened to that argument, and have remitted the penalty?—I cannot say that; I only say that if the case had rested with myself I should have recommended that the penalty be not inflicted.

575. Did you object to the renewal of the contract with the Peninsular and Oriental Company in 1867?—Yes, very strongly.

576. And also the contract with the Royal Mail Company in 1868?—Before the renewal of the Royal Mail contract in 1868, the whole of the department had been taken out of my hands; and therefore I did not consider myself in a position to object; and I did not.

577. Are you aware what was the guaranteed speed of those vessels?—According to my recollection the time they were allowed in their principal voyage to St. Thomas's was 10½ knots an hour.

578. Was that speed generally kept up?—They worked very well during the last years of their contract; years ago they did not do the service well, but for many years they performed it very well.

579. *Chairman.*] I suppose you are not answerable in any way for the contracts which were made with the different companies in 1867 for the service of 1868; probably Mr. Tilley or Mr. Scudamore will be able to give more information with respect to those contracts?—I am not answerable for them.

580. I understood you to say you do not think there would be much derangement of the postal service by upsetting any of those contracts?—No.

581. You stated that steamship companies are obliged to carry letters for the Post Office?—Yes.

582. Will you give us the particulars of their obligations; take the particular case of the Cunard boats, sailing as they usually do on Saturday, and the contract is upset, how can the Government compel them to carry mails to New York?—The Act is very precise upon that subject; it imposes a penalty of, I think, 100*l.* if the ship leaves the port without the mail, if it has any intimation that the mail is to be sent.

583. In what way would the intimation be conveyed to the steamer that a mail was to be sent by it?—Probably the Post Office would inform them that a mail would be sent; it is a power which we constantly exercise.

584. Supposing the Cunard steamer leaves Liverpool at four o'clock ordinarily, and that the mail comes in from London at three, so as to be delivered at four, and supposing the contract being upset, the Cunard Company chose to change their hour and leave at one or two, what remedy would the Post Office have?—It would have no remedy then.

585. The Cunard Company could not, of course, be compelled to call at Queenstown?—No.

586. And even supposing they did call at Queenstown to pick up passengers, they could not be compelled to wait an hour or any time for the mail?—No, certainly not.

587. Who would deliver the mails on board the steamer?—The postmaster of the particular town; it would be done under his direction.

588. The Company merely take the bags on board if brought to them?—The obligation imposed by the Act respects also the delivery of the letters; they are compelled to deliver any bag without delay at the nearest post office.

589. With regard to the reception of the letters, are the mails on arriving at Queenstown at present sent out by a tender belonging to the company?—I think so.

590. Supposing the steamer to touch at Queenstown the letters would have to be put on board by a tender belonging to the Post Office?—Very likely; especially in rough weather.

591. You could not under those circumstances at all calculate with any certainty on the mail going on board at Queenstown?—No, you could not; they are not bound to touch at Queenstown at all.

592. Even supposing they do touch at Queenstown for their own convenience, you could not ensure that you would get your mail on board at Queenstown?—Yes,

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Yes, I think you could if they are to touch at Queenstown; they must make known to the passengers the time at which they would start.

593. Their voyage from Liverpool to Queenstown may be shorter or longer?—Yes, that is the case; but the probability is that they make it longer or shorter by a smaller or greater consumption of coals. They have to consider that without regard to tide, which of course makes the hour of leaving Liverpool vary, they have to embark the mails and passengers at Queenstown at a certain time on a certain day.

594. They give a guarantee to their passengers that they will pick them up, and will not leave before a certain hour?—Yes, I presume so.

595. And, therefore, the mail would have the same advantage as the passengers would have?—Yes.

596. I understand you that they are bound, if they take the bag in that way, to deliver it at the port of arrival?—Certainly.

597. The state of things, where there was no contract, would not be at all comparable to the certainty and regularity of the mail as dispatched under contract?—I do not think there would be any material difference.

598. Of course, under contract, though there are not penalties with regard to the time of the voyage, there are certain penalties with regard to the hour of leaving?—They must have a boat ready to start at a particular time, and they must do that for the sake of their passengers.

599. Mr. *Hamilton.*] Is it within your knowledge that Inman's boats, when they had no contract at all, were just as punctual in their departure as Cunard's?—That is my full belief. They were not under contract with us, and therefore we did not keep that precise account which was kept, under my directions, in the case of all our contract ships.

600. I suppose you do not contemplate that there would be no contract with a service such as Cunard's, but you contemplate a contract upon a totally different basis?—Exactly.

601. And you suppose that the inducement of receiving full cargo payment at the rate of 1 *s.* per ounce would be sufficient inducement to them to come to reasonable terms with the Post Office?—Yes; it is a matter of some 20,000 *l.* a year.

602. Mr. *Seely.*] You stated, I think, that there was a penalty of 100 *l.* upon owners of ships, if they failed to deliver letters upon arrival at a port?—The penalty I spoke of before was for sailing without the mail. There is also, I believe, a penalty for non-delivery.

603. Is it not the fact, that that penalty according to the law only applies to ships going to a port belonging to Great Britain, and would not apply to a vessel going to the United States?—According to my recollection of the Act, the owners of the vessel would be bound to convey the letters to a foreign port, and there deliver them. Our law ends there; we could not compel them to take on board a mail at a foreign port, say New York: that must be for the American law; and the American law can of course enforce any arrangement as to the delivery of mails; both the delivery and the embarkation are within their control. That was one reason which induced me to propose, as was carried out by the treaty which I negotiated, that we should have everything to say about the outward mails, and they should have everything to say about the inward mails; they arranging everything at one end, and we arranging everything at the other.

604. Is it not the fact that we could not levy any penalty for non-delivery of letters quickly at a United States port?—I am not sure about that; but I feel sure that if there were any delay in the matter the Americans would soon be on the alert, and take measures for having them delivered very quickly.

605. You cannot state to the Committee what the American law is in that respect?—I cannot: I can only presume what the American practice would be.

606. You cannot state definitely what our law is with regard to the penalty for delay in delivering letters on arriving at a port belonging to the United States?—No; I do not bear it in mind.

607. Mr. Pearson Hill, in his evidence yesterday, said that the calculation of 111,700*l.* was over-estimated, and that he had a conversation with the officer who made the calculation, which officer admitted that he had made a serious error; were you present when that conversation took place?—I was, and I would add that the calculation is not in accordance with the statement on the subject in a recent letter to the Treasury. Allow me to say also that my nephew has

has a very considerable power of checking calculations and finding out errors.

608. Mr. *Seely*.] Have you any other matter to state to the Committee connected with the subject of their inquiry?—In my memorandum of October 1867, I showed, and I believe successfully, inasmuch as my statements and arguments were not controverted, that the calculation upon which Mr. Scudamore expected that the payment to the Cunard Company, which was then contemplated to be as high as 90,000 *l*., and which, in the first instance, was recommended for acceptance at that amount, was quite fallacious; and I have little doubt that if it had been known in Parliament that the Secretary, who had had far more experience in this matter than any other secretary, entirely disputed the accuracy of that calculation, the contract for 1868 would not have been persisted in.

609. Mr. *Hamilton*.] Did I rightly understand you to say that you consider these subsidies interfere with the prospect of a reduction in the rate of the ocean postage?—Yes.

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610. Mr. *Seely*.] HAVE you long taken an interest in the packet service?—I have.

611. And have you brought it several times under the notice of the House?—I have; I was a member of the Packet Service Committee which sat for two sessions some years ago, one of whose recommendations to the House was that there should be no payment by fixed subsidies on oceans where there was effective competition.

612. Did you bring before the House the question of the proposed contracts with Cunard's Company on the 20th of March, 1868?—I did.

613. Would you have pressed that motion to a division had you not thought that the general feeling of the House, and, indeed, the admissions of the Government, were in accordance with your views?—The Chancellor of the Exchequer admitted that different arrangements should not be made with the various companies, and assured the House that whatever arrangements were come to in the future, they should be the same with the various companies running steamers in the North Atlantic. On that assurance, and on the recommendation of Mr. Bright, I withdrew my motion.

614. Was not the purport of your motion, likewise, to condemn fixed subsidies?—My motion was in the exact words of the recommendation of the Committee, that there should be no payment by fixed subsidies on oceans where there was effective and active competition.

615. You fully expected that no contracts would be entered into by the Post Office on the principle of paying a fixed subsidy?—Certainly, on that ocean for that service.

616. Are you connected in any way with a line of steamers?—No.

617. Have you any interest in the matter at all?—I have a very great interest in the regularity and speed of the communication between this country and the United States, as a merchant carrying on considerable business with that country, and I have, further, the interest, which all of us have, as a British taxpayer, in seeing that the service, with all due regard to speed and regularity, should be conducted as economically for the Government as possible.

618. I gather from you that you are decidedly opposed to paying a fixed subsidy for the conveyance of mails from this country to the United States?—I wish it to be understood that I am by no means opposed to fixed subsidies, as I believe no contract of this nature was ever made which was more beneficial to this country than the original contract with Cunard's Company on the North Atlantic; but in the present circumstances, I hold that it is altogether unnecessary to pay any company a fixed sum of money for performing that service.

619. Do you think it unwise to enter into a contract for the conveyance of mails from this country to the United States for the term of eight years?—Most undoubtedly; I object very strongly to such contracts extending over many years where there is competition.

620. If you object to fixed payments for the North Atlantic services, in what

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manner do you think those services should be remunerated?—I should pay all the steamers by results, according to the weight of the letters actually carried.

621. Your opinion would be to the effect that any steamer should be allowed, on certain conditions relative to speed and time of departure, to carry mails?—Yes, I should throw the trade entirely open to every vessel answering certain requirements of the Post Office. She should have the mail bag, and be paid according to the number of letters carried over the ocean. Under such a system I am perfectly persuaded that, before two years, the end would be a daily communication with the United States, much, cheaper postage, greater rapidity, and quite as much regularity.

622. Can you give the Committee any information as to what the practice of the United States is in the conveyance of their mails?—The United States pay according to the weight of the letters, and they are ready to contract with all companies, but they insist upon their own terms; they do not yield to the terms of the companies.

623. *Chairman.*] They insist upon particular boats being named by the companies, do they not?—Yes, that is absolutely necessary; if you enter into an arrangement, you should have some guarantee that the boat is of a certain speed.

624. Mr. *Seely.*] Are you aware whether the subsidised companies have built more steamers than those which have not been subsidised?—The very contrary is the fact. When the Cunard Company was largely subsidised, Mr. Inman's company, which was not subsidised, built many more vessels, so did the North German Lloyd's and the Hamburg Steam Navigation Company. I believe the fact to be that the Cunard's Company in that period built fewer steamers than any other company crossing the North Atlantic.

625. The steamers of the Cunard Company are faster than others, are they not?—With the exception of the "City of Paris," owned by the Inman Company, I believe that some four or five Cunard steamers are the fastest at this moment on the ocean; but it would be impossible for the other companies to compete on equal terms as long as the Cunard Company enjoyed the very large subsidy which now, in the aggregate, I believe, amounts to several millions sterling. Enjoying that subsidy, they have been able to build more expensive boats and to keep down the natural competition.

626. Looking to a very great reduction, prospectively, in the postage between this country and the United States, what proportion of the total postage would you allot to the ship?—That is more a departmental question, which the Post Office authorities could answer. I am, myself, firmly of opinion that, if the Post Office authorities were to take a decided stand they would get the mails carried to the United States for the freight of the mail bags.

627. Have you known any instance of a steamer carrying the mail from this country for the mere freight of the mail bags?—I am not aware of any instance. I know a very remarkable instance where Messrs. Burns, with great public spirit and liberality, carry the mails from Scotland to Belfast for nothing.

628. You know that to be the case?—That I believe to be the case, and I have been assured that the consequence of their public spirit in that matter was to prevent a very unnecessary and absurd outlay which was proposed for the postal subsidy for that service.

629. You are aware that, in 1867, the Cunard Company did not tender at all, and that in 1868 they refused to tender on the terms offered by the Government; what would you have done under such circumstances?—I should have left them alone; I should have treated them precisely as the United States Government treated them; they did not accept the tender which they made to them, and the Post Office of the United States made agreements with the other companies, and by and bye, very soon the Cunard Company agreed to the terms offered them by the United States Post Office.

630. As a foreign merchant in constant communication with the United States, have you any fear of the service being as regularly and punctually performed as heretofore, in the event of these contracts not being ratified?—Such an idea never entered into my mind; those companies are paying, and in past years have paid, very handsomely, and there is not the slightest doubt that all of them would keep their day and their hour, and perform their voyage with as great regularity as at present, even though they did not carry the mails under

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any contract such as we have hitherto had with them. As I said before, I believe that when the trade was thrown open, as competition increased it would act as a stimulus to various companies to build newer and faster boats, with a view of getting a larger proportion both of passengers and mails.

631. Mr. *Graves.*] You are under the impression that the late Chancellor of the Exchequer had some private understanding with you in reference to the withdrawal of your motion; that he would in fact do his best to avoid making contracts with large companies; did he not loyally try to carry that out last year?—He did most loyally.

632. What was the result?—The result was that the Cunard Company and the Inman Company laid their heads together, and bullied the Government into taking the contract on other terms.

633. Did any other parties tender on that occasion, on the principle of ocean postage, who could have conducted the service efficiently?—I believe if those companies had been put aside, in the meantime other companies would have been got to make arrangements with the Government which would have been eminently satisfactory to the public. I have not the slightest doubt that both the British and North American Company and the Inman Company would in a very short time have done as the Cunard Company did on the other side, come to terms with the Post Office.

634. Were there any companies besides the Inman and Cunard Companies that would, in your opinion, have conducted the service efficiently under those tenders?—I understood only one other company tendered. I ought, perhaps, to correct my answer: I meant to say that only one company tendered upon the terms proposed by the Post Office.

635. Mr. *Seely.*] There was not one, I think, was there?—I think there was a German Company.

636. Mr. *Graves.*] What, in your opinion, would have been the right alternative for the Government to take, under the circumstances?—To put themselves in communication at once with the other companies, informing them that the two companies had declined to accede to the terms proposed, and asking them to make further offers in the absence of the company that had hitherto been under arrangements with the Government; in fact, to do precisely what the Government of the United States did under similar circumstances.

637. Then supposing those contracts are not now ratified, have you considered how an efficient service could be conducted?—I believe there are sufficient steamers, admirable vessels too, in the North Atlantic, apart from those companies, and that in six months we should have the communication quite as rapid as it is now, and the service conducted to the satisfaction of the public.

638. You alluded to the fact that the giving of a subsidy is virtually creating an unequal competition upon the other English lines engaged in the same trade?—Yes.

639. Has it occurred to you that foreign vessels carrying foreign mails and calling at this country for English mails would, upon your principle, have a double advantage over all English lines?—In connection with the carrying of passengers they would have a certain advantage.

640. But speaking of mails, has it occurred to you that, foreign vessels carrying foreign mails, and calling at this country for English mails, would have a double advantage over all existing lines, by the carrying of the English mails and the foreign mails?—Yes, certainly; but there is nothing to prevent foreigners sending their mails through this country.

641. But in practice they do not?—I am not aware.

642. Mr. *Hamilton.*] If you now propose to reduce the remuneration for carrying the mail bags to the ordinary rate of freight, what special inducement would there be to any of those ocean companies to come under certain conditions with the Post Office?—The conditions of the present contract are by no means onerous; I do not think the companies would require much temptation; the principal condition is that they should keep their day and their hour, and I imagine that all the large companies would do that independently of the mails altogether.

643. Mr. *Talbot.*] Is there any such limitation with regard to the Cunard Company as to the day and hour?—There is for sailing.

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644. But not with regard to arriving?—No; they may take six months for a voyage if they like.

645. But that is not the case with other companies?—It is the case with regard to the present Inman contract.

646. The North German Lloyd's and the Hamburg Company have a fixed time for their passage, have they not?—Yes.

647. That is not in the Cunard contract?—That is one of the differences between them of which I, as a foreign merchant, and as a Member of Parliament, complain.

648. Mr. *Hamilton.*] You think that for the companies' own interests the public might depend on punctuality with regard to the hour of departure?—There is no question about it; the vessels of Mr. Inman kept time quite as well as the vessels of the Cunard Company, when they were unsubsidised, and I used to direct my clerks to send letters by the "City of Paris" and the "City of London," by the Inman line, in preference to some of the slow Cunard boats, and since I came to London, I have directed my clerks, looking at the last advertisements of the Cunard line, and to the fact that only one of their fast boats was advertised, not to send my letters by the cargo vessels, the "Siberia," and the "Samaria," which were advertised to carry mails on Saturday to the United States.

649. You will admit, I think, that there was no tender sent in on the last occasion precisely in the terms advertised by the Post Office?—I understand that one of the tenders of one of the German companies was very near, at all events, to the terms required by the Post Office.

650. Do you think that that arose in any way from a presumption on their part that there was a want of firmness on the part of the Post Office?—Yes, there is an impression in mercantile circles that the Post Office is not firm enough with the Cunard Company, and now that Mr. Inman has joined them, the alliance is made stronger than ever.

651. You think that if it had been understood or assumed that the Post Office would have its own terms, that tenders would have been sent in?—Most certainly.

652. Mr. *Greaves.*] Do you consider a system of fines for non-punctuality essential?—I attach very little importance to that.

653. *Chairman.*] Do you think that the non-confirmation of these contracts might cause temporary inconvenience?—I doubt that, but I should be delighted, as a merchant deeply interested in communication with the United States, to submit to a little temporary inconvenience in order to get a certain advantage in the long run.

654. Would it, in your opinion, be essential that there should be a service to Queenstown?—Yes; I believe one of the German Companies has already offered to call there, had the Cunard Company carried out their threats; that company had vessels very nearly as good, with two or three exceptions, as those of the British and North American Company.

655. I presume you consider that the Post Office in making contracts has nothing to look to but the safety and sure conveyance of the letters?—Nothing.

656. It has nothing to do with what I may term political reasons, such as sending the mails under a British flag rather than under a foreign flag?—I do not believe in any such distinction.

657. You think that all the clauses introduced into the contract with regard to carrying officers and baggage, and so on, are clauses that should not be introduced into a contract for carrying mails?—I should expunge them all as remnants of former times.

658. There can be no unfairness in a competition with the steamers which carry mails from Germany, and also mails from England?—I see none.

659. The Honourable Member for Liverpool has rather intimated that the vessels carrying foreign mails would thereby have an advantage in competition against those that only carried English mails; but you think, in laying out the contracts, the Post Office have not that to take into consideration?—No; that ought not to enter into the consideration of the Post Office; they ought to make the best bargain they can, without reference to the revenue to be obtained by the companies from other sources.

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660. Mr. *Seely.*] I think a good many contracts now come under your notice at the Admiralty?—Contracts of a certain nature, but not of this nature.

661. Supposing you were to receive five tenders for a particular work to be done, and none of the tenders conformed to the conditions you had imposed, as a man of business, would you not communicate, most likely, with the five tenderers?—Probably.

662. In the case of the tenders that were sent in, in the year 1868, five persons tendered, and none of the parties who tendered conformed to the conditions, and no negotiation was entered into, as I understand it, with any of the parties, except the Cunard and Inman Companies?—Singularly enough, this very week that case has occurred at the Admiralty, and still more singularly, the number was precisely five; five offers were sent in the day before yesterday; I declined them all; but I communicated with parties, and I had no difficulty in getting the goods on my own terms.

663. Did you communicate with all five?—Not with all five, but under certain circumstances I might have done so.

664. But if you could not have got the terms you thought were desirable from the two first parties you communicated with, would you not have applied to the others?—Certainly.

Mr. *Andrew Maris*; Examined.

Mr. *A. Maris.*

665. Mr. *Seely.*] You are an American merchant?—Yes.

666. I suppose you are generally acquainted with the services of the postal lines to the United States?—Yes.

667. What is your impression with regard to the value of the Cunard slow-service boats?—None at all; there is no service in them, I think; they are useless as far as postal communication goes; there was an exception this week, when a fast boat was put on, and there was an exception before.

668. Then lately a fast boat has been put on for the Wednesday service instead of one of the slow boats?—There was one the other day, but I do not think there are any others advertised.

669. And occasionally, I suppose, one of the slow boats has been put on the Saturday service?—On the New York Saturday service; last Saturday I think it was so, one that was quite useless for the purpose.

670. Then what is your impression as to an arrangement to effect an interchange of the fast and slow boats?—I think it is detrimental to commercial interests.

671. By producing uncertainty?—By producing uncertainty.

672. Then supposing you, as a merchant, had to determine this question, would you say that it is desirable to keep the two services, occasionally putting on a fast boat on the Wednesday and a slow boat on the Saturday?—Certainly not.

673. Would you prefer having only one service of fast boats on the Saturday?—Two services would be more useful if they were both fast; the slow boats are useless altogether for commercial purposes as regards correspondence.

674. You think that the Wednesday slow boats are perfectly useless?—Quite so.

675. But my question is this: supposing that you had a service in which occasionally you had a fast boat on the Wednesday and a slow boat on the Saturday, and *vice versâ*; would you rather have those two services, or would you rather have one service on the Saturday, of all quick boats?—The slow boats are made useless by the fact of other companies having fast boats; the North German Lloyd's, the Hamburg and the Bremen boats, are vessels which have improved very much, but the Cunard boats have not improved, I think.

676. Have you heard any complaints of the way in which the mail service is conducted from the United States to this country?—None whatever; we find our mail matters arrive, I think, quite as efficiently by way of Southampton as we do *viâ* Queenstown, with less loss of time for the letters.

677. Are you aware that the United States send letters by the Cunard Company's boats?—I should say not, from the fact of our never having received one; they take up special vessels themselves; in fact, I am confident they do not.

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678. *Chairman.*] You have not received American letters by those boats?—No, I think they do not bring a mail.

679. Mr. *Graves.*] You say that you consider that the Cunard slow Tuesday boats are useless. I presume you refer to the London correspondence?—Yes, and to the Liverpool also, where I have a house, so that it applies to both. There is no doubt that the Cunard boats are not improved in quality or speed, I am sorry to say it, because my prejudices are all in their favour. I think that the two German Companies are surpassing them very fast, they are all English built vessels.

680. *Chairman.*] You are not personally connected with any of these lines of steamers?—Not at all.

681. Do you send any portion of your correspondence *vid* Southampton?—Yes, a great deal now; as generally as by Liverpool, perhaps.

682. It would be somewhat inconvenient to you if the Queenstown service were not carried on, I suppose?—I do not know that it would; I should say not now.

683. Not as to London?—No, nor generally; I think the telegraph is doing away with the necessity of quick postal communication to a great extent; there is great delay in the steamers at Queenstown waiting for the mails: in fact, if the mails went direct (meaning to the United States) from Liverpool on Saturday it would be quite as satisfactory to the commercial community.

684. Has it ever struck you that there would be a great disorganisation of the mail service if the contracts were suddenly put an end to?—I think not; I should not be afraid of that.

685. You think that there are companies which could put on steam ships to carry on the mail service?—There is ample communication now in vessels running that would perform the service, no doubt, and I should say they are ready to do so.

686. Mr. *Hamilton.*] Do you consider the Queenstown service of much practical importance to the London correspondence?—I do not think it is: there is a great loss of time frequently; last week a Cunard boat arrived about an hour too late to catch the Friday mail from Queenstown, and the consequence was that though she got there on Friday, we did not get our letters delivered in London until Monday. I mention this most recent case to illustrate the detentions alluded to.

687. Then if the calling at Queenstown were discontinued, do you think the port of departure should be Southampton?—No, Liverpool for the Cunard boats, I should say, but Southampton for the others. I suppose it would save time if the steamers called at a lower port in the Channel.

688. *Chairman.*] In answering a question which I put, you said you thought that in any case there would be plenty of steamships to carry on the service?—Yes.

689. Do you exclude or include the Inman and Cunard boats?—I allude to the Inman, the Bremen, and the Hamburg companies; those are three companies all very efficient. Independently of that, there is a company known as the Allen Company, from Liverpool that runs to Quebec in the summer and Portland in the winter; in fact, our correspondence by way of Quebec, often reaches the northern parts of America, say Massachussetts and the New England States, quicker than by way of New York; also when the steamers go to Portland.

690. You include the Inman boats?—Yes, and I should say the Cunard boats would assist as well.

691. Mr. *Hamilton.*] You do not anticipate that the Cunard Company would refuse to carry the mails on the same terms as the other boats, if it was all thrown open?—No; but I think they all ought to be fairly remunerated.

692. Mr. *Seely.*] You say that correspondence is somewhat diminished by the fact of telegraphs being so general?—I think so.

693. And to some extent the necessity for rapid postal communication is lessened?—Yes, though consider such desirable.

694. You now receive by telegram all important information with regard to prices, the arrivals of ships, and every information which is of great importance to merchants?—Yes, the correspondence is now more a subsidiary matter than formerly.

Mr. *Frederick Rodewald*; Examined.

Mr. *F. Rodewald.*

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695. Mr. *Seely.*] WERE you for any length of time in business in the United States?—Yes; for many years.

696. For how many years?—Upwards of 20 years.

697. What are you now?—I have retired from business; I am a director of the London Joint Stock Bank, and chairman of the London and San Francisco Bank, Limited.

698. Were you concerned in shipments of specie between this country and the United States?—Yes; I received a considerable amount of specie.

699. Have you found the North German line punctual and fast?—We receive our specie generally that way.

700. In preference to any other line?—In preference to any other line.

701. Have you any minutes of the time they take in their voyages?—No, I have not; we receive it on more advantageous terms; every one-eighth or one quarter per cent. is of course of the greatest importance to every banker, and it will change the current by way of Liverpool or by Southampton, and, besides that, the gaining time is very considerable; they are more regular in delivery.

702. Can you speak to the value of the cargo service on Wednesdays as a postal line?—I have been a great friend of that service for many years. It had great merit formerly, but several of the new ships which they have been building are not fast; they are built with regard to economy.

703. But my question is whether you have formed any opinion of the value to the public of the Cunard Company's Wednesday boats as a postal service?—I think their slow boats are without value.

704. Can you speak to the general feeling in the City of London with regard to the desirability of having Southampton as a port of departure for one service, at any rate, a week?—I should not like to take upon myself to say. The difference in the distance between New York and Liverpool, and New York and Southampton, is very trifling, and it is generally more convenient to receive letters by way of Southampton. As to a question which I heard asked as to the regulations of the United States, I may say that the revenue laws compel the captain to make an entry within 24 hours of arrival; he must then make an affidavit that he has delivered all the postal matter to the Post Office, and in virtue of that he has to exhibit a post office receipt before he is allowed to enter. At least that was the regulation, and I have no doubt so sensible a rule is still continued.

Mr. *James Robinson*; Examined.

Mr. *J. Robinson.*

705. Mr. *Seely.*] ARE you a Director of the National Steam Ship Company?—Yes.

706. Did you tender for the conveyance of mails from this country to the United States in the year 1867?—Yes.

707. And again in 1868?—Yes.

708. Have you lately made another tender?—Yes, within the last two or three days.

709. What were the terms of that tender?—To carry letters at the rate of 1 *d.* per ounce, in order to enable the Government to charge a penny a letter.

710. By a penny a letter, do you mean a penny a letter from any part of this country to any part of the United States?—Yes.

711. What number of vessels have you?—We have nine vessels.

712. Can you speak as to their speed with regard to the Cunard boats?—They are not as quick as the Cunard mail boats; some of them, perhaps one or two, are hardly as quick as the others, but the average vessels are as quick, and rather quicker, than the cargo boats of the Cunard Company, and as quick as most of the old Inman boats; not equal to the new and better class of the Inman boats.

713. Are you authorised on behalf of another line to offer another weekly service on similar terms?—Yes; I am authorised by Mr. Guion to say that he would take the same terms or run with the ocean postage alone; he desired me to say that he would have made that tender to the Government, but the notice

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being only for one year, and his fleet not being quite ready, he waited for another year, and was quite astonished to find that the contract was to be carried on for eight years. He said he had written a letter yesterday.

714. He is not well, I believe?—No, or he would have attended to day.

715. How many vessels has he?—He has five at sea and another very nearly completed.

716. Are they fast boats?—They are not equal to the Cunard boats or the best of the Inman boats.

717. Are they equal to the slow cargo boats?—Yes, they are quicker than the slow cargo boats.

718. Would those six boats be able to perform one service a week?—Six boats would perform a service a week, but I think they ought to have seven to make themselves comfortable in the way of regularity, because accidents might happen with a vessel.

719. I think in your tender to the Post Office you say that in case fixed subsidies are discontinued the Directors of your Company would build more boats and faster boats?—Certainly.

720. So as to perform the voyage on the terms you mentioned in as quick a time as any other vessels?—I have no doubt if subsidies were discontinued that we should all of us build quicker vessels; the tendency always is to build quicker vessels, and we should in a few years be running quite as quick cargo boats as they do now mail boats, but while a large subsidy exists people do not like to venture on the expense. We have to make up for the subsidies by increasing the carrying power and running at rather a lower rate of freight.

721. Your company are extremely desirous to see the penny postage established?—Yes, certainly.

722. Is the number of steamers which travel between this country and the United States increasing rapidly?—Very fast, indeed; I should say there is double the number of vessels running that there was six or seven years ago.

723. Is the speed increasing?—The speed has very much increased for the cargo boats, and it is rather, if anything, diminishing on the part of the very quick boats, because the subsidies being reduced they have to build vessels with greater regard to what they can carry, and therefore with not quite the same power; there is no vessel built yet which is quicker than the "Scotia," which must have been built eight or nine years ago. If the subsidy had been maintained at the same rate, I have no doubt the Cunard Company would have built a ship or two quicker than the "Scotia."

724. Mr. *Talbot.*] Speed is very much a matter of expense, is it not?—Very much; we are very much in the infancy of steam; some 20 years ago, it was a matter of how much indicated horse power you *could* put into a vessel to go at a given rate of speed, and that took up nearly the whole of the carrying capacity of the ship. Now you have a diminished consumption of coal and you have increased the carrying power by the great improvements in the designs and models of vessels: you are now getting cargo boats in the Mediteranean which are nearly as quick as any of the mail steamers; there are three or four built for Messrs. Biby.

725. What is the speed of your line, the "France" and "England," and those ships?—The "France" makes 10 knots an hour, she made 12½ knots at the measured miles at sea.

726. How many tons of coals does she burn in 24 hours?—About 61 tons; she is a very large ship.

727. Mr *Seely.*] Would the boats, in your opinion, start regularly, and keep good time even though they were under no penalties?—They would start regularly, quite irrespectively of penalties, but if you had no penalties for the time of performing the contracts, of course there would be a greater disposition to substitute cargo boats for boats that cannot run at a profit without subsidies. Now, many of those boats of Messrs. Cunard's, but this is merely my opinion, it would be impracticable to run at a profit, except with subsidies.

728. The amount received for cargo and passengers is much more important than what is received for the mails?—Infinitely.

729. Still, I suppose, in your opinion, having a large subsidy enables the party receiving it to underquote the rates of freight by other lines?—It is not only that; but it is so unsatisfactory for other lines to build steamers and increase

crease their freights if you have got to contend with subsidised companies, for there is always a belief that if they do not pay, the subsidy will be increased, and that the Government may go into partnership, as they have done with the Peninsular and Oriental Company.

730. Then the effect of fixed subsidies is to prevent competition?—Very much.

731. And therefore, I suppose, to some extent, to prevent those who are subsidised from improving so rapidly as they otherwise would do in their vessels?—I think so; the Cunard Company are very slow to improve from that reason.

732. Can you speak with regard to the opinion of the Liverpool Chamber of Commerce on this subject?—They have several times given an opinion that subsidies ought to be done away with. I have a copy of one of their last reports, a published report of the 12th December 1866, in which one of the paragraphs is: "It is believed that in most cases steam packets would now be prepared to carry mails for 1*d.* per letter, but if deemed important for State reasons that subsidies, with reserved Governmental rights, should be continued (upon the policy of which no opinion is now expressed), it is submitted that the extra cost so involved is fairly chargeable, not to the Post Office, but to the account of the Navy, or other defensive service. The understood requirement that the Post Office should be self-supporting is fully kept in view; but, at the same time, it is submitted that the revenue raised from the Post Office, after defraying its own charges, should only be incidental, and that public convenience should not be sacrificed thereto." I do not know that that report directly states it, but there has been some communication within the last month or two between the Chamber of Commerce of Liverpool and the Government, urging on them the reduction of the rate of postage, which would require the doing away with subsidies.

733. When you offered to carry letters for a penny an ounce, it was objected that two rates of postage would be inconvenient; can you see any reason in this objection?—I think it would be very inconvenient, because we should carry 90 per cent. of the letters with the two rates of 6*d.* and 1*d.* A great portion of the letters would go by the cheap post, even though it did take a day or two longer. Important letters are very much interfered with by the telegraph, and even the number of letters that do pay 6*d.* hold a very small proportion to the actual correspondence that goes on in America. We have got some returns on that subject from the American people with regard to the number of letters, and we find that the quantity sent to Ireland is nearly as large as that sent to England; and most of them are not business letters, but emigrants' letters, and so on.

734. Your idea is, that if the Post Office is not inclined to reduce the rate generally to 1*d.*, there should be two rates?—Yes.

735. One at 1*d.* and the other 6*d.*?—Yes; I think that would satisfy the Government very soon that there was no necessity for a sixpenny rate at all.

736. Then the merchants and bankers and so on would send their letters by the sixpenny rate, and the poorer class of people who communicated with the United States would send by the 1*d.* rate?—Yes; but our opinion is that you would have a 1*d.* rate altogether immediately; in answer to the former questions I think that, in reference to Messrs. Cunards' former contract, Mr. Inman has often explained very clearly that the subsidies were very hard upon him. In case of change there would be a little inconvenience for a time, because it is not likely that gentlemen would change from what they have said so very rapidly as not to occasion some little inconvenience.

737. I almost gather from what you have said, that you object to the present arrangement, because, in your opinion, the 105,000*l.* a year seems to be paid for the benefit of the richer portion of the community?—Certainly, and we also object very much indeed, because, soon after our company was started, the Cunard Company were carrying goods by their mail boats at 10*s.* per ton freight to New York much less than our rates, and they are frequently less than our rates.

738. Have you had any communication from the Postmaster of the United States with regard to the penny postage?—Yes, from one of the managers at New York after the Government here had refused to propose it. We communicated with the Postmaster of New York through him, and Mr. Guion has also communicated with him, and the answer is, that if our Government is ready, they will be very glad to accede to it.

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739. The Government attach one condition to the contracts, in many cases, that their vessels shall be taken from the company in the time of war; would that be any great hardship?—Not the slightest. I do not think that there is a company in the kingdom that would not let the Government have their vessels in time of war.

740. *Chairman.*] Your steamers have never been taken up by the American Government to convey mails?—No.

741. Nor Mr. Guion?—Nor Mr. Guion, I think.

742. Do you know whether any of the Cunard boats have been taken up to convey the American mails?—No; the American Government have made offers of terms to steamers for three days a week, and, of course, they chose the three best lines; one was the North Bremen; the second, I think, was the Inman, and the third was MacIver's, and they pay about 5 *d.* an ounce, which is rather less than one-half of what our Government offers.

743. Then the view of both Governments at present, we may say, is to have a quick communication, and not to use the slow boats?—I think the view was that the three mails a week was sufficient, and they took the quickest three they could get, and the objection to Mr. Guion, a month or two ago, was that his line at the time was not complete; the formation of a line of steam ships is a matter of some years and some little money.

744. Supposing these contracts were not to be confirmed by Parliament, and that Messrs. Cunard & Inman declined to enter into fresh contracts with the Government, do you think that there would be much inconvenience to the commercial community in the carrying of letters for a time?—I think if the Inman and Cunard Companies positively declined there would be a little inconvenience for a time.

745. There would be no fleet of steam ships at Liverpool at all fit to take their place?—I do not think there would be. I think, at the same time, that if the Government were to put out a notice, or that there was an arrangement with the United States to reduce the postage to a penny, the commercial community would be satisfied.

746. That could not be done without a twelvemonth's notice to the American Government to close the ocean convention?—Not without their consent.

747. But, taking the convention as it stands, it requires 12 months' notice to close it?—Practically speaking, you would not have very much difficulty, if neither the Cunard Company nor Mr. Inman carried letters, because you would have a regular mail once a week by the North German Lloyd's from Southampton; and those boats are quite as good as MacIver's mail boats; they are first class boats, built within the last two or three years at Glasgow. You have also another service, alluded to by Mr. Maris, the Allan line to Quebec, which runs to Portland in the winter time, which is also a mail service. They are peculiarly good boats, as good as the MacIver mail boats; but with that double service a week there would not be much inconvenience.

748. Mr. *Seely.*] Then there is the Hamburg Company?—That is not at present carrying letters.

749. *Chairman.*] They are not touching at England?—No, but you might get them round.

750. You say that half the letters are for Ireland; those are letters coming from America?—Yes.

751. You do not know about the letters going to America?—We believe that a large portion of letters going between England and America are not business letters at all, and that of the proportion that remain of the business letters, more than half of them would go at the reduced postage of a penny, even though the boats took two or three days more to carry them.

752. I understand Mr. Hill to say that he was of opinion that the reduction of the ocean postage had not so much influence on English letters as rapidity and regularity of delivery?—I think he is right, to some extent, but that he is wrong in his inference. A reduction from 1*s.* 6 *d.* to 1 *s.*, or from 1 *s.* to 6 *d.* would have very little result, because it would still confine correspondence to what are called necessary letters, business letters, and so on. Even in our own country the reduction of the postage never had very much effect until we went down to the Penny Postage, and then we found an enormous increase.

753. You think there would not be, practically, any inconvenience from two rates of postage?—I cannot see the practical inconvenience. The practical inconvenience is this, that instead of making out a loss on a sixpenny rate of 20,000 *l.* or 30,000 *l.* a-year, if to one company you pay 100,000 *l.* a-year, you find a loss on the sixpenny rate of 80,000 *l.* The inconvenience would be in the reduction of the number of sixpenny letters.

Mr. *J. Robinson.*
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Friday, 19*th March* 1869.

MEMBERS PRESENT:

Mr. Dent.	Mr. E. T. Hamilton.
Mr. Graves.	Sir Massey Lopes.
Mr. Greaves.	Mr. Seely.

JOHN DENT DENT, Esq., IN THE CHAIR.

Stephen Barker Guion, Esq.; Examined.

754. Mr. *Seely.*] ARE you the Chairman of Guion's Company, owning a line of steamers running between this country and America?—Yes; known by the name of the Liverpool and Great Western Line.

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755. Have you made any comparison between the speed of your boats and Messrs. Cunard's boats sailing on Tuesday?—Yes; we sail with them, or against them, on Tuesday.

756. *Chairman.*] Those are the cargo boats?—Yes.

757. Mr. *Seely.*] Will you tell the Committee what have been the performances of your boats?—We had 24 sailings from Liverpool to New York last year, from April to the end of the year; Cunard's sailed occasionally to Boston and occasionally to New York.

758. Will you tell the Committee what difference there was, if any, in the speed of your boats as compared with the Cunard boats?—I could only give the days of arrival, without regard to the hours or minutes of arrival.

759. Will you give the days of arrival?—Of the 24 sailings, seven were favourable for us; we beat them by a day, whether they sailed to Boston or New York; four of their passages were better than ours. In one passage we had a breakdown, and we went with one engine only, half the passage, and other passages were a day shorter than ours; the other passages were just the same, so that we were about equal speed.

760. Does it take longer to go from Queenstown to Boston than to New York?—It is about 18 hours' shorter sea passage to Boston.

761. In how many cases did the Cunard Company go to Boston?—There were 13 passages to Boston within that time.

762. Did all your boats touch at Queenstown?—Yes.

763. You have no contract with the Government to carry mails;—No.

764. You touched at Queenstown for your own interest?—Yes; for our own purposes.

765. Supposing you had to call to Queenstown simply to get the mail-bags, would there be any extra expense in consequence?—It would cost about a 10 *l.* note over the charges we incur per annum.

766. Is there any risk in going to Queenstown?—There is a risk, going in and out of the harbour.

767. Do you pay any extra insurance for that?—No.

768. How many vessels have you?—Five, running now; we shall have six in the beginning of next month; in April.

769. Can you give the Committee the tonnage of those vessels?—About 2,000 net; 3,000 gross tonnage. When I say net, that is net, independent of engine space; that is what we pay dues on.

770. Are you building any more vessels?—We shall have one completed by the beginning of next month.

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771. Are you prepared to build any more?—We shall go on building for the service.

772. Is it probable that your ships which you will build in future will have greater speed?—Yes.

773. Upon what terms would you be prepared to carry the mail bags to New York, touching at Queenstown?—I should be very glad to assist in an inauguration of a penny postage.

774. What proportion of that penny postage would you require for sea postage?—Half for the sea postage; my idea was a penny per half ounce for the Post Office to collect, the carrier being paid one penny an ounce.

775. You would be satisfied with one penny an ounce?—Yes.

776. Is it your opinion that subsidies paid to a particular firm would enable that firm to quote less rates of freight than other ship companies?—They have a gratuity, which we, without subsidy cannot get, of course.

777. Do you start regularly, and go as quickly as you can, though you have no subsidy, and carry no mail bags?—We go as fast as we can.

778. And go regularly?—Yes; we have a tidal service from Liverpool.

779. You consider that it is your interest to do so?—Certainly.

780. Do steamship companies give notice, some days before their vessels sail, of the day and hour when they will sail?—Yes, we issue notices a week ahead of sailing.

781. You do?—All companies do.

782. Therefore a company could not start before the hour and the day named?—No; on account of their passengers they could not do that.

783. Supposing there were two rates of postage, say a penny and sixpence, have you any idea what proportion of the letters would go at a penny?—No; but I would be satisfied with the penny arrangement against sixpence; giving the fastest boat the sixpence.

784. Mr. *Hamilton.*] As you do not carry the mails, what is your inducement to touch at Queenstown?—Passengers.

785. Therefore you would not consider it an onerous condition to have to touch at Queenstown?—No.

786. Sir *Massey Lopes.*] Do you take emigrants?—Yes.

787. Mr. *Greaves.*] Did you tender?—No, we were invited to tender for the year only, and we were not prepared for that service at that time; but if we had been asked to tender for eight years we should have tendered.

788. *Chairman.*] You were invited to tender last year for the service of this year?—Yes.

789. And you did not send in any tender?—No.

790. Had you at that time a fleet of steamships that were qualified to carry the mails?—No, we could not have performed the weekly service; we would not be ready till April.

791. A question was asked you about emigrants; do not all the steamers now take emigrants?—Every steamer, except the "Russia" and "Scotia."

792. Mr. *Seely.*] You have ships now, or you will have in April, quite sufficient to perform the weekly service?—Yes.

The Marquis of *Hartington*, a Member of the House; Examined.

The Marquis of *Hartington*, M.P.

793. *Chairman.*] YOU are the Postmaster General, under the present Administration?—Yes.

794. On what day did you commence the duties of yonr office?—I cannot remember exactly.

795. You found the present contracts concluded before you came into office?—I did, so far as they could be concluded by the Government.

796. Therefore you had nothing to do with the making of the contracts, personally?—No, nothing.

797. Can you give any reason why those contracts were not placed on the table of the House before the 2nd of March, the execution of the contracts having commenced on the 1st of January?—I am afraid I cannot answer that question; I think you would probably get any information on that point from the Treasury; up to the present time the Postmaster General has never had a seat in the House of Commons, and, in consequence of that, all the House of Commons'

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Commons' work connected with the Post Office has always been conducted by Secretary to the Treasury; I was not myself in the House of Commons till, I think, the beginning of March, and, therefore, the Parliamentary work in connection with the Post Office was conducted in the same way, and probably there may have been some little delay that I cannot account for in laying those contracts on the table of the House; as to their commencement on the 1st of January, of course they could not have been laid on the table of the House till the House met in February, so that if there has been any delay, it has not extended beyond a fortnight.

798. What is the rule now with respect to laying postal contracts on the table of the House; how soon is it required that they should be laid on the table of the House after they have been executed by the contracting parties, or is there any definite rule upon that point?—I have not been able to ascertain that there is any rule; I think, in practice, they are laid upon the table of the House as soon as they conveniently can be.

799. You were requested to attend this Committee to produce certain papers which the Committee understood could not be produced without your concurrence; do you produce those papers?—I should be most unwilling to withhold from the Committee any information, the production of which they think necessary in the prosecution of this inquiry; but I must say I think it would not be for the advantage of the public service to lay before the Committee the papers which have been asked for. My objection is on general grounds; they are memoranda and official Minutes which were written for the information of the Postmaster General. I do not go so far as to say that there exists in any public office an absolute rule, that such official memoranda should not be made public; but I think it is a practice, which has been, and which ought to be, as much as possible discouraged. The official Minutes are written, or ought to be written, solely for the use of the head of a department; and it is desirable, in my opinion, to encourage the servants of a department to write in the freest and most open manner upon any subject on which they are asked to give their opinion. Now, I think, if the practice were introduced of making public such documents as those, it would be very difficult to induce public servants to write with the same freedom as they do now. There would be a temptation, at any rate (how far it would operate I do not know), to write not merely their own views for the information of the head of the department, but to write what might be, when published, agreeable to one of the rival political parties, or to some person outside the department. For those reasons, I believe, the production of such Minutes has generally been refused; and I think it is very undesirable that that rule should be broken; I should explain that there may be cases in which an official memorandum, when adopted by the head of a department, may be the most convenient way of laying before the House, or a Committee of the House, the views which are entertained by the department; but these memoranda, which have been asked for by the Committee, are of a somewhat controversial character. As you will have already heard, there has existed a difference of opinion in the Post Office with regard to the policy of these contracts; Mr. Hill has written a memorandum against them, and Mr. Scudamore has written a memorandum in favour of them; if I produced what has been asked for, I should also have to produce other memoranda which have been written by Mr. Tilley; and I think I ought also to produce a Minute which was written by the late Postmaster General, adopting the views of Mr. Scudamore and Mr. Tilley; I also venture to think that those memoranda are not necessary for the information of the Committee; any statements of fact which the Committee may desire to have, I think can be obtained from the office in another shape, either by examining Mr. Scudamore, or by asking for any return the Committee think necessary; and as to statements of opinion, I venture to think the Committee can obtain the different opinions that are held by the Post Office officials as well by examining them themselves as they could by the production of those memoranda; for these reasons I must say I should very strongly object to laying before the Committee the papers which have been asked for.

800. That refers, I think, to the first papers which you were asked to produce?—The papers asked for were a memorandum from Mr. Frederick Hill to Mr. Tilley, dated the 24th October 1867, with reference to the mail contracts for 1868; a memorandum from Mr. Frederick Hill to the Postmaster General, 24th December 1868, with reference to the mail contracts now before the House;

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House; that was a short memorandum which Mr. Hill prepared for me immediately on my acceptance of office on this subject, and really contains very little that was not in the former memorandum; then I am asked to produce any other memorandum or minutes relating to the contracts for 1868 or 1869.

801. These, I take it, your Lordship considers to be confidential documents from a subordinate in a department addressed to the head of the department containing his views on the matter in question?—Written for the information of the head of the department.

802. And, on those grounds, that they are confidential, and that it is desirable not to do anything which might have the effect of preventing subordinates from writing as freely as they might do, you decline to produce those documents to the Committee?—Exactly so; the other papers asked for are "any minutes or correspondence with the Treasury with respect to these particular contracts not laid on the table of the House." I do not think there is any such correspondence; there may be a few letters which I promised to lay on the table of the House two or three days ago which are not yet printed; there is no objection to completing the whole of the official correspondence.

803. With respect to the evidence given by Mr. Frederick Hill and Mr. Pearson Hill, they did not appear here to represent the official opinion of the Post Office?—Certainly not.

804. They appeared here expressing their individual opinions, based on their experience in the Post Office?—Certainly.

805. Mr. *Hamilton.*] I think your Lordship referred to a Minute by the late Postmaster General?—I said if I produced any of the memoranda which have been asked for, I think I ought also to produce that.

806. Would there be any objection to the production of that Minute, because that would not be open to the same objections your Lordship has pointed out with respect to the production of memoranda from subordinate officials to the head of the department?—It would not be open to the same objection; I think, perhaps, I ought to obtain the sanction of the Duke of Montrose before that Minute, which was not written for publication, was produced. I should think the Duke would have no objection whatever; but the substance of it is embodied in the letter to the Treasury which is before you.

807. Was it a minute for the use of the Post Office, or was it addressed to the Lords of the Treasury?—It was a minute directing the letter of the 12th of October to be written, No. 8, in the Parliamentary Paper, entitled, "Copy of all Correspondence between the Postmaster General, the Treasury, and parties tendering for the conveyance of mails between this country and the United States, in continuation of Parliamentary Paper, No. 42, of Session 1867-8."

808. It is clear that it stands on different grounds from from those *quasi* confidential communications from officers in the department to their superior?—That minute refers to the memoranda which I have declined to produce; and, therefore, I think it would not be of much use to the Committee, unless accompanied by the previous memoranda; the purport of it is to sanction the course which is proposed to the Treasury in that letter, and the letter gives you, I think, everything which is essential.

809. Would it be looked on as a public document, or as a document of a confidential character, and to be retained in the office?—I should say it was a document of a confidential character.

810. *Chairman.*] I see the Contract Committee recommend that a contract, when executed, should at once, and without waiting till a Vote be taken upon it, be laid on the Table of the House; the change of Government may have had something to do with the delay in placing that upon the Table of the House, I presume?—The delay may very probably have arisen in consequence of the negotiations going on with Mr. Inman for a change of the day of sailing.

811. Sir *Massey Lopes.*] Would not the fact of your not being in the House at the beginning of March account for the delay in putting that contract on the table of the House?—I am afraid that that fact may have led to some little delay, because, as I have said, under the old system the Treasury managed all the Post Office business in the House of Commons. Under the altered circumstances the Treasury would naturally expect that I should undertake all the House of Commons business, and between the two there may have been some slight delay.

Frank Ives Scudamore, Esq.; Examined.

812. *Chairman.*] WHAT position do you hold in the Post Office?—I am one of the Secretaries of the Post Office. *F. I. Scudamore, Esq.*

813. How long have you been in the service?—Since March 1840.

814. What other positions have you occupied in the Post Office?—In 1855 I was promoted to be Chief Examiner in the Receiver and Accountant-General's Office. I was made Receiver and Accountant General in 1856, and Assistant Secretary in 1864. 19 March 1869.

815. You have been employed in carrying out several new undertakings for the Post Office?—Yes, I have been concerned in carrying out the Post Office savings banks and insurance and annuity schemes; and I have been recently employed in carrying out the transfer of the telegraphs to the Post Office.

816. Were you concerned in the packet contracts before the contracts of 1867 and 1868?—No.

817. Are you acquainted with the circumstances which led to the contracts now before the Committee?—I am directed by Mr. Tilley, the Secretary to the Post Office, to explain the circumstances which led the late Postmaster General to recommend, and the late Chancellor of the Exchequer to authorise, the execution of the contracts.

818. You appear as the official exponent of the reason for entering into those contracts, so that we need not summon the Duke of Montrose; you take the responsibility for the Post Office?—I do.

819. Mr. Frederick Hill stated yesterday that the principles upon which the postal packet service was to be conducted by the Post Office were laid down in a Treasury Minute of the 16th April 1860?—Are you acquainted with that Minute?—I am; that is printed at page 469 of the Appendix to the Report of the Committee on Packet and Telegraph Contracts in 1860.

820. Do you consider that the Post Office is bound to frame its contracts in accordance with the terms of that Minute?—It is not necessarily bound to do so, but only to conform to the principles of the Minute as far as practicable.

821. What were those principles?—They were that the service should be, as far as possible, self-supporting, that long contracts should, as far as possible, be avoided; and that it would be preferable to secure the performance of the service by adequate, but not excessive, penalties.

822. Did you consider that the Treasury, in laying down those principles, expected the Post Office to conform to them as far as possible?—Yes, undoubtedly the Treasury intended the Post Office to conform to them as far as possible; but the Treasury took care, in the Minute itself, to show that it did not desire to lay down any hard and fast line whatever. I will quote a passage, which is very short, which will show this; they say, "As regards the important question of the principles upon which mail packet contracts are to be made in future, my Lords would observe, with reference to the Postmaster General's letter of the 25th January, that it appears premature to attempt to lay down any very positive rules"; the general principles applicable to the subject are fully and ably stated in the Report of the Committee of 1853, presided over by Lord Canning; but experience has shown that those principles have been in many subsequent cases totally disregarded; the Committee of the House of Commons, who are now sitting, will doubtless throw further light upon the manner in which these contracts have been, and ought to be made, and make important recommendations as to the nature and extent of the control to be exercised, in future, by Parliament; still it appears to my Lords that, from the very nature of the case, the responsibility of arriving at a right decision must rest mainly with the Executive Government, and be decided in each instance upon its own merits, with a view of arriving at the best result for the public service under existing circumstances; accordingly, in making a few observations on the principles laid down in the letter of the Postmaster General of the 25th of January, my Lords must not be understood as attaching any undue importance to abstract principles but simply as indicating some of the leading considerations which it will be desirable, as far as circumstances may admit, to keep in view."

823. In effect, the Post Office were to act on those three principles, but they were not to risk the public service by adhering to them, as you say, as a hard and fast line?—That is the conclusion which I draw from that passage, and I think,

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think, also, the Treasury clearly meant their Minute to be subordinate to the Report of the Committee then sitting on contract packets.

824. You are, of course, familiar with that Report?—Yes.

825. The Committe make a remark with regard to these very services, which we are now considering?—Yes; they said, "Your Committee cannot conclude their Report without recording their opinion that it is quite practicable to dispense with large subsidies in cases where ordinary traffic supports several lines of steamers, and that in the circumstances which have for some years existed, in regard to the communication between this country and North America, no such subsidies are required to secure a regular speedy and efficient postal service."

826. What conclusion do you draw from that opinion, as to the views of the Committee?—I consider that the Committee were desirous to reduce the subsidy then paid, not that they desired to annihilate subsidies altogether.

827. You think then that their observation was levelled only at the amount of the subsidy?—I judge so, from their use of the word "large."

828. You take the words "no such subsidies" as meaning "no large subsidies"?—Yes.

829. You do not read it as "no subsidies"?—Certainly not; I connect the word "such" with the word "large."

830. Do you draw the conclusion, that the view of the Committee was not that there should be no subsidies, but that they should not be large subsidies, from any other part of their Report?—I think that they did not intend to lay down a hard and fast line, from the following passages of their report: They say, as regards the renewal of existing contracts "It is hard to reconcile the two important considerations of economy and efficiency: while on the one hand it is the duty of Government to secure the performance of a service at the least expenditure, on the other a department responsible for the performance of a duty is reluctant to risk the chance of change, and anxious to secure the service of those who have performed the duty long and well, and in whom they have confidence. We are not prepared to lay down any general rule, but we are of opinion that the practice of renewing contracts to existing owners has been carried to an extent which should no longer be sanctioned. With respect to the conditions to be introduced generally into the contract, many suggestions will be found in the evidence and in the correspondence between the Treasury and the Post Office. It is proposed that no specific sum should be paid, but the postage handed over to the contractors; that no time should be fixed for the continuance of the contract, but that it should be a running contract, terminable at a year's notice; that no stipulation should be made as to the size, the power, the number, or the inspection of the steamers, or other details; but that the contractors should be bound to perform the service under heavy penalties. Your Committee have not had sufficient evidence before them to enable them to give a decided opinion upon the first of these proposals. We doubt much the expediency of running contracts terminable at a short notice in all cases; but there are exceptional instances in which they may be advisable. With respect to the proposal to abandon precautions as to inspection, and regulations as to the fitness and number of steamers to be employed, we would consider that great caution is necessary; and as to surveys for ascertaining the sufficiency of vessels and their engines, we are of opinion that recourse should be had, as hitherto, to the Admiralty, rather than, as now proposed, to the Board of Trade; the system of laying on heavy and absolute penalties has been tried; but the result does not warrant us in giving our sanction to the abandonment of the precautions hitherto taken to insure that the contractor should at least have adequate means for the performance of his contract."

831. What are the inferences which you draw from the passages which you have read?—I think that the Committee had not formed an opinion with respect to the propriety of making payment by sea postage, and that the balance of their opinion was against running contracts terminable at short notice. I think, moreover, that they would rather have been inclined to place reliance upon the proved efficiency of contractors than upon any penalties which they could have imposed upon them.

832. But that Committee recommended that the Admiralty survey should be still continued?—Yes.

833. That,

833. That, I think, the Post Office have given up?—It was given up before the North Atlantic service commenced.

834. Mr. Frederick Hill told us, yesterday, that the Committee over which Lord Canning presided in 1853 made a recommendation that, as far as practicable, the payment for packet service should rise and fall with the number of letters conveyed; that it should not be a fixed sum, but a sum varying with the number of letters?—Yes; I presume that Mr. Frederick Hill refers to this passage: "In some cases the conveyance of the mails might be advantageously provided for by a payment bearing a certain proportion to the estimated amount of the postage rested or based upon the actual weight of the bags carried."

835. Do you infer from that that Lord Canning's Committee meant to recommend, absolutely, that payment should be made by sea postage?—No; I think that they simply meant that the payment should be proportioned to the work done. I do not hold that they even intended to recommend the payment of merely the whole postage, or less than the postage; they might possibly have thought that, under the circumstances, more than the postage might be paid.

836. Had the recommendation of Lord Canning's Committee ever been acted upon up to the date of the Treasury Minute of April 1860?—Never; if you refer to the Report of the Committee on Contract Packets you will find that they quote a memorandum from Mr. Stevenson of the Treasury, in which he states, "I may observe that the principle of providing payment for mail services by giving up the sea postage to the parties carrying the mails has been frequently urged by the Postmaster General, but has never been acquiesced in by the Treasury;" and I contend from that that the recommendations of Lord Canning's Committee had never been carried out, and that the Treasury Minute of 1860 clearly did not indorse that part of them.

837. You think that, up to that time, no hard and fast rule had been laid down for the guidance of the Post Office in the making of packet contracts?—I do; I think that we have been instructed to do our best to make the service self-supporting; to do our best to avoid long contracts; to make the best provision we could for the accommodation of the public without adhering strictly to particular rules or abstract principles.

838. You say that the Post Office were expected to do their best to make the services self-supporting; do you not think they were absolutely bound to make the services self-supporting?—No; on the contrary, we received a very strong hint from the Parliamentary Committee on East Indian Communications in 1866, that we must not too rigidly attempt to make important services self-supporting.

839. Can you shortly refer the Committee to any part of their Report which will justify that statement?—The Committee on East Indian Communications inserted this paragraph in their Report: "Your Committee cannot assent to the doctrine that interests so important from every point of view, whether political, social, or commercial, as those which connect the United Kingdom with the largest and most valuable possessions of the Crown, should be protected by an insufficient postal source, because the establishment of an efficient service might leave an apparent loss of no great magnitude to be borne by the two countries. They submit that a question of profit or loss, within reasonable bounds, is a consideration entitled to little weight in the case of so important a postal service as that between England and India."

840. What inference do you draw from the passage you have quoted?—The inference that the Committee were disposed to set efficiency of postal communication between England and India above fiscal considerations, and were not disposed, in that case, to lay down the hard and fast rule that the service should be self-supporting.

841. Have you any idea of the value of the exports and imports between this country and America?—I believe that it is now very nearly as great as those to which the Committee on East Indian Communications referred in the outset of their Report.

842. You say that the Committee on Contract Packets expressed a doubt of the expediency of running contracts terminable at a short notice in all cases; has not the Post Office been instructed to endeavour to make contracts terminable at short notice?—There is no doubt we have been instructed that short contracts are desirable; but we certainly have not been instructed always to avoid contracts for terms of years; on the contrary, we have been desired to consider

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whether, in the case of the very contracts now before you, contracts for terms of years were not advisable.

843. Can you refer us to any instructions which you have received on that point?—The printed papers now before you contain an instruction of this kind. I am referring to page 24 of the Parliamentary Paper, No. 42, containing the contracts of 1867. On the 13th of June 1866 the Lords of the Treasury wrote a letter to the Postmaster General, by Mr. Childers, the first paragraph of which ends as follows: "It appears to my Lords to be deserving of careful consideration whether the arrangements to be made with the owners of such steamships should not be made binding on both parties for terms of years. And also, with a view to prevent any misunderstanding hereafter on the part of the owners of such ships, whether it should not be distinctly stipulated that the whole of the letters accruing on a given number of days will be sent by the vessel or vessels the subject of such arrangement."

844. The last sentence has nothing to do with the preceding one with respect to the arrangements being made binding on the parties for terms of years?—I only read it because it is a continuation of the same paragraph.

845. What is the conclusion which you draw from the passage you have just read?—I draw the conclusion that the Treasury at that time were not decidedly hostile to contracts for terms of years.

846. Mr. *Hamilton.*] The latter part of the paragraph which you have read shows that the Treasury were desirous of securing something like a fixed remuneration to the contractors?—I do not pretend to infer that they proposed to pay by subsidy, irrespective of postage; but that they wished, by allowing accumulations of letters, to enable the contractors to look forward to a certain amount of remuneration.

847. *Chairman.*] Do you not think that those sentences, taken together, imply the desirability of considering, first, whether the contracts should not be for a term of years; and secondly, whether the payment should not be by results, the results to be attained by having fixed days for starting, so that each contracting party might obtain a fair share of the postage?—When you come to read the answer to that, you will see that the Treasury were clearly understood to mean that to each contractor should be guaranteed the letters accruing on particular days, which of course would give the contractor, on the average, something like a fixed remuneration; not in the nature of a subsidy.

848. The postage varying with the amount of letters sent?—Yes.

849. And not in any respect a fixed payment?—Undoubtedly. I do not think it meant to give a fixed payment, but simply to give him some sort of a guarantee that, within a certain range, a certain amount would come to him.

850. Did the Post Office act upon the suggestion of the Treasury, with respect to contracts for terms of years?—No; in July 1867 the Postmaster General replied to the Treasury in these terms: "I cannot, however, advise that either of these suggestions should be adopted, as I think that they would occasion inconvenience and embarrassments to the department. It is very desirable that the department should be left as free as possible, in order that it may be at liberty to make use of any new line of steam vessels that may be established to run between this country and New York on regular days; and it would, I think, be objectionable to bind the department to send all letters in the office on a given day by any vessel, whatever its character, which the contractors might provide to sail on such a day, as the department might be aware that a vessel appointed to leave a day or two later would, in all probability, arrive in New York at an earlier period."

851. Mr. *Seely.*] Who was the Postmaster General?—The Duke of Montrose.

852. Who was the Postmaster General at the time the letter of the 13th of June, 1866, was written?—Lord Stanley of Alderley.

853. *Chairman.*] The Post Office in July 1867, had made up its mind to endeavour to take contracts, but not contracts for terms of years, for the conveyance of the mails to America?—Certainly.

854. And also proposed to be as free as it possibly could with respect to the amount to be paid to the contractors?—Certainly.

855. Did

855. Did it, in accordance with that view, in July, 1867, call for tenders for the conveyance of the mails?—It did.

856. Did it obtain satisfactory tenders?—No, it was compelled to enter into a temporary arrangement, which was very fully discussed in the House of Commons last year, and which came to a close at the termination of last year.

857. Those tenders led to the contracts for the year 1868?—Yes.

858. Did the Post Office, in the course of last year, again invite tenders for the conveyance of mails to America?—It did.

859. Upon what principle did it then propose to act?—It proposed, if possible, to make the service self-supporting; it proposed, if possible, that the contracts should be terminable at six months' notice; but of course it, at the same time, desired to have that service, which it considered best for the community of this kingdom generally.

860. What was the nature of the tenders for which the Post Office called?—It called for tenders for taking the mails from Queenstown to New York at a rate for every ounce of letters, a rate for every pound of newpapers, and a rate for every pound of patterns, or packet of patterns, and with penalties for delay.

861. Why did you invite tenders for conveyance of the mails from Queenstown; why did you not leave the port of departure open?—Because Queenstown is, unquestionably, the best port of arrival and departure for American mails.

862. Might it not have been convenient that you should have had mails sailing from Southampton as well as from Queenstown?—We did not think so.

863. You have no doubt that Queenstown is the best point of arrival and departure?—None whatever; Queenstown was selected some years ago, when there was a great agitation in Ireland for steam communication from the west of Ireland, and the result has shown that it is an excellent port for the departure and arrival of American mails.

864. Can you give your reasons for stating that Queenstown is the best port of departure for the American mails?—I have a return here, which I will put in, showing the course of post from Manchester, Bristol, Hull, Glasgow, Cork, Belfast, Limerick and Waterford, to New York *via* Queenstown, and *via* Southampton, in the months of March and August 1868. I have taken the months of March and August, because I wished to have one winter month and one summer month, when two lines of steamers were running from each port weekly.

865. Will you explain that return?—I have supposed a letter to be sent to New York by each steamer going, *via* Queenstown and *via* Southampton, in the month of March and August, and I have supposed that letter to be posted at the latest time possible for posting, either to Queenstown or to Southampton; in the case of Manchester, for instance, the hour is the same, whether the letter goes by Queenstown or by Southampton (you post up to 10 at night); I have then taken the date of arrivals at New York, and I have given the duration of the transmission of the letter in each case, *via* Queenstown, and in each case *via* Southampton, and I have struck an average; I have carried that plan through the cases of all the other towns I have named, and I will state very briefly the result: in the case of Manchester, the Queenstown route is the best by 1 day and 11 hours, leaving out minutes; that would apply to most towns in Lancashire and Yorkshire; in the case of Bristol, it is the best route by 1 day and 7 hours; in the case of Hull, it is the best route by 1 day and 8 hours; in the case of Glasgow, it is the best route by 1 day and six hours; in the case of Cork, it is the best route by 2 days and 13 hours; in the case of Belfast, it is the best route by 1 day and 17 hours; in the case of Limerick, it is the best route by 1 day and 23 hours; in the case of Waterford, it is the best route by 1 day and 19 hours. *(The Return was handed in.)*

Vide Appendix.

866. *Chairman.*] Will you give us London?—I can give you London, but the case of London will entirely depend upon what hour you take for posting.

867. Cannot you take for London what you take for the other towns; cannot you take the latest hour at which you can post letters?—I was going on to explain why I have not done so. If you take, as the hour of posting from London, the hour for closing the night mail, Queenstown and Southampton are about equal in the case of London. If you take the hour for posting in the

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morning, undoubtedly, in the majority of cases, there will be an advantage to London in posting *viâ* Southampton, but I do not believe that any very considerable number of persons avail themselves of the privilege of posting in London by the morning mail; and, with the view to bring that out before the Committee, I have asked for a Return to be prepared which cannot be ready before Tuesday; but which will show you the number of letters posted in London between the closing of the night boxes on Monday night, and the dispatch of the mail to Southampton on Tuesday.

868. Will you give us the latest time at which a letter can be posted from London by either of those routes, and the respective times of delivery at New York, on the average?—I will give you that; but I propose to give it you when I put in the Return showing to what extent posting takes place on Tuesday morning.

869. Are those times you have given us from actual results in the months of March and August last year?—Undoubtedly.

870. You give the average from actual results?—From actual results, which, in this Return, are stated in each case with the name of the ship carrying the mails.

871. Have you only taken the quickest passages of the mails during those months, or have you taken the average passages of every boat carrying the mails?—The passage of every boat carrying the mails during those months is set down and the average struck.

872. Will you give us the names of the companies conveying letters last year?— From Queenstown the Cunard and Inman Companies; from Southampton, the North German Lloyd's and the Hamburg-American Company.

873. The superiority of the Queenstown route being so great, have the public shown any preference for it?—They have; and, for the purpose of showing that they have, I will put in two Returns showing the total weight of letters, newspapers, and book packets contained in 52 mails from Queenstown and in 52 mails from Southampton, conveyed to New York by the North American packets during the six months ending the 30th September, 1868. One Return includes the foreign closed mails, and the other Return excludes them. The first Return shows, with regard to letters, 447,000 ounces carried *via* Queenstown, and 169,000 ounces, or nearly 170,000 *via* Southampton. With regard to newspapers, 114,000 lbs. were carried *via* Queenstown and 37,000 lbs. *via* Southampton; and with regard to books, 11,000 were carried *via* Queenstown and 3,400 *via* Southampton. (*The Returns were handed in.*)

Vide Appendix.

874. Can you give us the per-centage of letters *via* Queenstown?—Taking in the closed mails, they carry less than 75 per cent.; without the closed mails it is more than 75 per cent.

875. We must include the closed mails as well, because we are bound to carry the closed mails; can you let us have the respective weights of letters carried, including the closed mails?—They will be found in one of the Returns I have just handed in; in connection with the Returns I wish to make this remark, that of the mails carried *via* Southampton very nearly half consists of closed mails.

876. If those mails come to England we are bound to carry them?—Yes.

877. We receive our full share of the postage on those mails?—We receive a rate per ounce for their carriage.

878. In any computation you are bound to consider the closed mails quite as much as the International?—Yes; but I only put in this Return to show in which direction the International letters mostly went.

879. At the same time, when considering the carriage of mails, you must not exclude the foreign mails from the calculation?—For that reason I give you the two Returns.

880. Having determined to advertise for tenders for the conveyance of mails from Queenstown, did you take steps to make your wants generally known?—Yes; we advertised several times in the "Times," the "Shipping Gazette," one or two Liverpool papers, and in our own "Postal Circular," which goes nto the hands of most shipowners and shipbrokers; and we also sent copies of the form of tender to all the companies of whose existence we know anything.

881. The tenders you received are those presented to Parliament?—Yes.

882. Will

882. Will you describe them?—The tenders were practically three for services from Queenstown, and two for services from Southampton. None of them were in accordance with the terms of our conditions. The two tenders for services from Southampton of course were not, because we had asked for tenders from Queenstown; and, in addition, there were some stipulations in them not in accordance with our conditions. Of the three tenders for services from Queenstown, we thought one was inadmissible, because it was accompanied by a stipulation that the postage per half-ounce letter should not exceed twopence. We have no power to reduce the postage without the consent of the American Government. We had no reason to suppose we could get that consent, for no such proposition had been considered between us, nor did we think it desirable to reduce the postage so low. And again we did not consider those vessels to be of sufficient speed to perform the service.

883. You allude to the National Steam Ship Company?—Yes; the remaining tenders, two in number, but for three services were equally not in accordance with the conditions, they were identical in their terms and one was made dependent upon the other; they were for three services a week, two to be performed by Messrs. Cunard and one to be performed by the Inman Company; and the sum demanded for each of those three services was 50,000*l.* or 150,000*l.* a year in all. They also asked for a contract for a term of 10 years, terminable at 12 months' notice at the expiration of that time.

884. Why did you fix the hours of the voyage in those conditions at 264 during the summer months, and 288 during the winter months, as against 276 and 336 which had been in the Inman contract of the preceding year?—We had always considered that the maximum allowed in the Inman contract the previous year was too high; we demurred to it at the time, but were unable to make any other arrangement.

885. The Postmaster General and the Chancellor of the Exchequer thought those tenders inadmissible?—They thought all the tenders were inadmissible, but they desired to enter, if possible, into an arrangement for the service from Queenstown; and I was instructed to negotiate with the persons who had tendered for the Queenstown service, or at least with the Messrs. Cunard and Mr. Inman, to see if I could induce them to abate their terms.

886. Did you make any application to Messrs. Cunard and to Mr. Inman in your negotiations, to accede to your terms, or did you immediately negotiate on the basis of their terms, I mean with respect to a fixed subsidy?—I had endeavoured, over and over again, to induce them to carry the mails for sea postage, and failed so signally that I thought it was useless to ask them any more.

887. The Inman line had carried the mails up to that period?—Yes; but when once Messrs. Cunard and Mr. Inman had made an offer, identical in terms, I thought it was useless for me to negotiate with Mr. Inman any more.

888. You attempted to persuade them to reduce their terms?—Yes.

889. Taking their own terms as the basis?—Yes.

890. What was the result of that negotiation?—They agreed to take 10,000 *l.* per annum less for each service, and I submitted that proposition to the Chancellor of the Exchequer, who would not agree to it. They first asked 150,000 *l.* for the three services, and then offered to take 120,000 *l.* for the three services, that is 10,000 *l.* less for each of the three, and I put that proposition before the Chancellor of the Exchequer.

891. And the Chancellor of the Exchequer would not consent to it?—No; he said he would neither give so much nor consent to so long a term as 10 years.

892. Upon what grounds did the Chancellor of the Exchequer desire that further abatement?—He said he had undertaken to exert himself, as far as he possibly could, to make the service self-supporting, and if he gave 120,000 *l.* it would not be self-supporting; I had given him in a statement, showing the estimated gross postage on the mails to be carried to New York by those packets. That estimate was 112,000*l.*; I will put in an estimate of the gross postage upon outward correspondence carried to North America by the contract packets in 1868, which was given to me by Mr. Chetwynd, the Receiver and Accountant General, this morning. It is made on somewhat more recent data than the estimate he gave me in September last, and therefore it differs from that estimate, but differs very slightly. It is slightly in excess of the estimate I gave to Mr. Hunt, that was 112,000 *l.*, this is 113,000 *l.* odd.

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893. Perhaps we had better take the estimate of 112,000 *l.*, as it was on that estimate that the contracts were made; will you give us the details of that estimate of 112,000 *l.*?—I have not the details of that estimate; subject to slight alterations, in consequence of alterations of details, the figures will be pretty much the same.

894. Then we will take the 113,000*l.* How do you get that 113,000 *l.*?—The first item in it consists of 2,738,457 single rates of letters at sixpence; that I believe Mr. Chetwynd will tell you is arrived at by taking the total number of ounces of International letters, and multiplying them by three and one-third.

895. You calculate three and one-third letters to an ounce?—Yes.

896. To what does that amount in money?—£. 76,068.

897. What is the second item?—The second item is the amount credited by foreign countries for the conveyance of letters in closed mails; that is 18,339 *l.*; that I apprehend is the actual amount taken from the French and Prussian accounts; the next item is 2,009,011 papers at 2 *d.*, 16,742 *l.*; amount credited by foreign countries for the conveyance of papers in closed mails, 693 *l.*; 168,731 books at 3 *d.*, 2,109 *l.*; and the amount credited by foreign countries for the conveyance of books in closed mails, 28 *l.*; in all, 113,979 *l.*; with regard to this, Mr. Chetwynd, who has prepared it, is very desirous to come before the Committee to explain certain discrepancies which have appeared in his statements; but, as he is collecting some information for the Committee, he asks if they will allow them to appear before them to-morrow, or Monday, instead of to-day. (*The Estimate was handed in.*)

Vide Appendix.

898. You said this was the gross postage; does that gross postage include the inland postage at either end?—It does.

899. It includes the penny at each end allowed for inland postage?—Yes.

900. It includes the whole postage to America *via* Southampton and *via* Queenstown?—Yes, in the year 1868.

901. Is it an estimate, or does it give the actual amounts realised?—It is partly an estimate, but an estimate on the data of the year 1868; that is Mr Chetwynd's assumption of our gross earnings from those packets in the year 1868.

902. Can you give the proportion of that postage received by the different lines of steamers in 1868 that carried mails?—No, I have not that with me; it would be somewhat difficult to make that out.

903. Have not the Post Office any account of the monies they paid to the various companies in 1868?—Undoubtedly they have.

904. Would there be any objection to the Committee being informed of what the sums were that you paid the companies?—No; Mr. Chetwynd has a return, showing that the money paid to the different companies is something less than the money earned.

905. The Committee would like to know the sums received by the companies, and also the sums earned?—Both those returns shall be prepared for you.

906. You consider the gross postage as applicable to the payment for the transmission across the ocean?—Yes, I do. We have always endeavoured to contend that the sea postage only was applicable, but I think it is very doubtful whether we ought to push that to an extreme in the case of so important a service as this; in the first place, the letters are only written for the purpose of going to America, and if they were not so written, no item of postage would accrue at all; in the next place, if the American postal service disappeared to-morrow, and no letters went, the cost of the sea service, unquestionably, would disappear; but the cost of the land service of the Post Office would be reduced in a very small proportion indeed; certainly not to the extent of the difference between the gross postage and the sea postage; and again, in contending that the gross postage is applicable, I only follow the example of the United States who, by an Act of Congress, passed in 1858, decided that when mails were carried by American vessels, the sea postage and the inland postage should be paid to them; but when carried by foreign vessels the sea postage only should be paid to them; and I should say that I believe an Act has recently been passed in Congress with a view to establish a national line of American steamers, and that the same principle has been adhered to there; we have received a copy of that Act through the Foreign Office; that Act provides for the creation of a national line of steam ships, one stipulation being that the owners of the vessels should receive all the postage

postage on letters, newspapers, and other matters transported in the mails, but should not receive more than a maximum of 400,000 dollars per annum.

907. Is that the private Act of some company?—The Act begins thus: "That the Postmaster General is empowered to contract with the Commercial Navigation Company."

908. It is an Act to enable him to make an agreement with a company to run steamers and carry letters at a certain rate, and to allow the whole postage up to a maximum.

909. The American Congress has always made a distinction between foreign and American steamers?—Yes, and so long as the Vanderbilt line was running to this country, which it did to within a few years ago, the American Post Office paid the sea and inland rate of postage for the conveyance of mails by those steamers.

910. To go back to the terms of the contracts now in question; when you informed the Chancellor of the Exchequer that you estimated your gross postage outwards at only 112,000 *l.*, and that you had persuaded the contractors to do the three services for 120,000 *l.*, I presume the Chancellor of the Exchequer did not agree to those terms?—He did not; he told me that unless the contract price could be brought down to 105,000 *l.*, that is 35,000 *l.* for each of the three services, and the term of years from ten to seven, he could not sanction the contract; but he authorised me to make an offer on those terms to the contractors.

911. Did you do so?—I did, on the 1st of October.

912. And that was accepted?—They accepted it within two or three days of that date, and we informed the Treasury, on the 12th of October, that they had accepted it.

913. You could not induce either Messrs. Cunard or Mr. Inman to agree to be bound by penalties as to speed and the duration of the voyage?—I could not.

914. You do not, I believe, attach very much importance to penalties for speed?—No; and perhaps I may be allowed to say, that I have heard one or two Members of the House, of much greater acuteness than I, express the same opinion; for instance, I have heard the Honourable Member for the Tower Hamlets contend more than once, that the trifling penalty you imposed on the contractor for delay was useless, because the cost of the extra coals they would have to burn, in order to avoid that penalty, would, in many cases, be much more than the penalty itself. In speaking of the Cunard Mail Service in 1853, Lord Canning's Committee gave the average of the passages from Liverpool to New York, as 12 days 1 hour and 14 minutes. I now put in a Return showing the performances of steamers conveying mails to and from New York in 1868, steamers of all lines, with a summary of the lengths of the voyages; showing, also, the period of arrival in this country, and the time at which the letters were delivered in London, Liverpool, Manchester, Glasgow, and Belfast. That return shows that the Cunard packets, though they have been under no penalty whatever during any period of time from 1853 to now, have something more than maintained the high rate of speed referred to by Lord Canning's Committee. (*The Return was handed in.*)

Vide Appendix.

915. Are you speaking of the Cunard vessels that carried the mails in 1868, or of all their vessels?—The Cunard vessels that carried the mails in 1868.

916. But those were not the vessels you have accepted in your present contract?—No; there are one or two of them there.

917. You have in the present contract accepted a class of boats that you never accepted before?—Undoubtedly.

918. Your view, then, was, that you might rely on their proved efficiency rather than on penalties as to speed?—I should say I never supposed that the boats about to run on Tuesday from Liverpool would be as fast as those which have been in the habit of running on Saturday; Messrs. Cunard never represented that they would be, but I thought they would make fair average passages, and would, therefore, perform a satisfactory service to the public; Messrs. Cunard stated, in the course of the negotiation, that they considered their Sunday service, partly on account of the high speed of the boats, and partly on account of the unremunerative character of the trip to Queenstown, was worth more than a moiety of 70,000 *l.*, and they were very anxious that the contract should have been so worded as to show that they attached a higher value and

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demanded a higher price for the Sunday service than the Tuesday service, but I thought on the whole it would be better to state it as it is.

919. You were satisfied with the passages of the Inman line?—Yes, this return shows them to have been very satisfactory.

920. Have Messrs. Cunard been under no penalty with respect to punctuality since 1853?—I believe they have been under no penalty whatever.

921. Were they under a condition or stipulation to employ certain ships?—Yes; but the ships employed by them were very much in excess of the stipulations of the contract.

922. You say that since 1853 they were under no penalty with respect to time, and you say they carried out their work since 1853 so satisfactorily that you could trust them in the present contract without any penalty or any stipulation?—Yes.

923. As they were under no penalty, was there any stipulation that they should employ particular vessels or vessels that had undergone a certain survey and certain trials?—They were required at that time to undergo an Admiralty survey; they were required to use vessels of 400-horse power, but I do not like to speak positively to the terms of the old contract: Mr. Page is more familiar with them than I am.

924. You say that the return you have just put in gives the periods of the delivery of American mails in London, Liverpool, Manchester, Glasgow, and Belfast; and I think I understood you to say that Queenstown is as good a port for the arrival as for the departure of American mails. Does the return which you have put in bear that out?—Yes, it does; the chief advantage of Queenstown as a port of arrival is this: that in a very great number of instances mails coming in *via* Queenstown are delivered as nearly as possible simultaneously in the great cities of the kingdom. During the year 1868 the mails from the United States *via* Queenstown were delivered simultaneously at London, Liverpool, and Manchester on 52 occasions; and on 29 other occasions the deliveries were simultaneous at London and Liverpool, and about four hours later at Manchester; on the other hand, the mails from the United States *via* Southampton were delivered on 80 occasions later in Liverpool and Manchester than in London.

925. Mr. *Hamilton.*] How much later?—I fancy it would, in very many cases, be as much as 12 hours later. On 17 occasions the simultaneous delivery at these three places of the mails *via* Queenstown extended both to Glasgow and Belfast. And obviously, with regard to mails coming in *via* Southampton, there could be no such simultaneous delivery.

926. *Chairman.*] You did not expect that the Tuesday service would be as good as the other?—No.

927. The Cunard Company were anxious to have made a difference in the contract on that ground?—Yes.

928. And they wished to have a smaller sum for the Tuesday boats, and a larger sum for the Sunday boats?—Yes, their contention was that they required 70,000*l.* for the two services, but the larger part of that sum for the Sunday service.

929. They wished that there should be a larger remuneration for the Sunday boats, on the ground that it was less remunerative to them to go there on Sunday?—Because they could get no emigrants from Queenstown on Sunday.

930. You consider that calling on Sunday as a *sine quâ non*?—I think it gives a very great convenience to the mercantile community; it enables them to wind up the week's transactions with America at a late hour on Saturday from all parts of the kingdom.

931. You did induce Mr. Inman to change his day, so that the mails might run more uniformly, did you not?—Yes, we were extremely anxious before these contracts were made, to induce him to change his day, because we had always felt with daily sailings on the Atlantic the mails would overlap, as they have overlapped since the commencement of this year. He would not consent to that, and on the 1st of January this year, before any of the sailings under the contracts had commenced, Mr. Tilley wrote to him to urge him once more to come to London and consider the proposal of a change of day; and, after some negotiations, we did succeed in inducing him to change the day, and he has actually executed a contract for a different day.

932. That

932. That has not yet been executed by the Postmaster General?—No, it is waiting the decision of this Committee.

933. In authorising the execution of this new contract, do you consider that the Treasury were adopting the views of their predecessors?—I think, to the best of their ability, they have carried out all the instructions which had previously been laid down.

934. You think the three services from Queenstown will be satisfactory to the public?—I think they will, as arranged with the consent of Mr. Inman.

935. Do you believe them to be self-supporting?—Yes, subject to the application of the gross postage to the sea service.

936. You did not consider that better terms could be made, or you would not have advised these contracts?—No, I saw no probability of better terms being obtained at all; I think I should say before the tenders came in, in September, we had been led partly to understand that the North German Lloyd's and the Hamburg Company would tender for a service from Queenstown; I believe the agent of the North German Lloyd's told Mr. Tilley as much; and I believe Mr. Duncan, the agent for the Hamburg Company told one or two of the officers of the Post Office, that his company would do so too; when the tenders came in, and we found that they had not done so, finding also that the North German Lloyd's, in the letter that accompanied their tender, expressed a strong disinclination to run to Queenstown, we came to the conclusion that they had well considered the matter, and decided that they would not tender for that service.

937. They have made an offer to go to Queenstown since?—Yes, the Hamburg Company have; we have received a letter from them offering to run from Queenstown for 25,000*l.* a year.

938. Calling on the Sunday?—Yes.

939. That is 10,000*l.* a year less than the Cunard Company?—Yes.

940. What do you think of that?—They have something towards it to help them to it; they have a payment from the North German Government. I see the agent stated the other day that they had as much as 20,000*l.*; he is mistaken in that; they did not get it last year; they did not get last year more than at the rate of 6,500*l.*; they did not get quite that, because they did not make 52 voyages; but assuming that they had made 52 voyages, they would have got about that; that would bring their total amount, if they got 25,000 *l.* from us, to 31,000 *l.* or 32,000 *l.*

941. The Post Office has not to consider the earnings of the steamship company from any other quarter?—No.

942. You would take into consideration an offer of that kind, not considering whether the company were earning money from any other source?—Certainly not.

943. You would only consider whether the company were perfectly able to carry out their contract?—Undoubtedly; at the same time, I may say, with regard to Cunard's and Inman's, they are expressly prohibited from earning anything from any one else; they may not carry mails from any other country.

944. Do you refer to clause 16 of the contract?—Yes.

945. We know that no one is allowed to carry letters in competition with the Government?—That is within the United Kingdom; but, if it were not for such a stipulation as that in the contract, there would be nothing to prevent the owners of the vessels from carrying mails for a foreign country out of the United Kingdom.

946. Do you consider that that is a clause which ought to be inserted in a Post Office contract, that the vessel carrying the British mails should not be allowed to touch at Havre, for instance, and take the French also?—It is a provision which has been always inserted in contracts for a great many years.

947. Is it required by public policy that such a provision should exist in a contract?—I am afraid I have not given the subject sufficient consideration to be able to give an answer to that question; it is a clause which has been handed down from contract to contract.

948. You have struck out a great many clauses which have been handed down from contract to contract, because, comparing the contracts of 1867 and 1868, a number of clauses are struck out; is that a clause which it is necessary to insert in the contracts, affording, as it does, a ground to the contractors for

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asking a larger sum of money for carrying the mails than they would otherwise ask?—I have not given the subject sufficient consideration to be able to answer the question.

949. The same stipulation would be in the contract of 1853?—It has been in the contracts for a long period of years.

950. The object of that I suppose is that you may have the postage of the letters transmitted from France *viâ* Great Britain?—Undoubtedly; and we do have it.

951. That is, no doubt, a kind of burden that you put on the Inman and Cunard lines, as against the Bremen line?—Undoubtedly.

952. The Hamburg Company possess a good fleet of vessels, do they not?—Some of their vessels are very good; one in particular. I noticed the other day that you were rather surprised at the average of their packets in February; I think that the agent was not quite prepared for your question. The fact is, that was not an average passage at all; it was only one trip made by a very fine vessel; another vessel started, but met with some accident, and came back.

953. A good deal has been said with regard to the dissatisfaction of the public with what are called the Cunard cargo boats, now sailing from Queenstown on the Sunday, and it is said that the public will not write by those boats; have you any information on those points?—I have here a return of the number of mail sacks conveyed by the North German Lloyd's from Southampton on Tuesday, and by the Cunard boats from Queenstown on Wednesday, in 1869. You will see that on every occasion but one the Cunard boat has carried the larger proportion of the mail, although necessarily the Southampton boat would take a considerable share, probably nearly the whole of the foreign closed mail coming in, and the Cunard boat has only one day for the collection of letters.

954. The Cunard Company, I believe, have put on their slow boats on the Saturday once or twice during this year?—Twice only; and I understand that one gentleman who appeared before you said that the mercantile community had been very much confused by this, that they were obliged to consider whether the Cunard boat was going on the Saturday before they could decide to write by it. I think that must have been a little exaggeration, because on the first occasion on which what was called a slow boat was put on (the "Samaria," on the 14th February), she carried 102 sacks of mails, which is an average mail. She got out to New York on the 27th February, and the North German Lloyd vessel did not arrive until the 28th February, which was Sunday.

955. On what day did the North German Lloyd vessel sail?—On the Tuesday; she did not arrive till the Sunday, so that the letters could not be delivered until the Monday, therefore the public could not have been very much distressed. On the only other occasion when a slow boat was put on, last Sunday, she carried 120 sacks of mails.

956. It has been stated that when the "Samaria" went out, as you say, on the Sunday, she was caught by the "Java"?—Yes, she was; but the "Java" also caught the North German Lloyd's.

957. But still, was it not an understanding with Mr. Cunard, though not in the contract, that he should put on first-class vessels for the Sunday service?—It was understood that he would, as far as possible, maintain the Sunday service with fast vessels, and with the best of the others, that until he had built fresh boats for the Tuesday service he would run some of the fast boats now and then on Tuesdays.

958. Would it not disarrange correspondence if people found that in one week a slow boat ran on the Sunday, and in another week a fast boat?—Experience has not proved that they have been so slow, and the substitution has not disarranged correspondence.

959. As that has happened only twice, a large portion of the correspondents could not be aware that an alteration would be made?—The inference of the witness was that the public were aware of it, and were acting upon it. They were not aware of it apparently when the "Samaria" went; with regard to the "Siberia," she is only five days out.

960. But is it not likely to cause inconvenience if you pick a fast boat one week, and another week a slow boat?—I do not think that any boats will be put on on Sunday which will at all disarrange the service.

961. We have been told more than once that it is in the power of the Post Office

Office to put the mails on board the Cunard or Inman, or any other ships as ship letters; has your attention been directed to that point?—Yes; undoubtedly the department has the power, but I think it is extremely questionable whether the department could, with justice and propriety, exercise that power; and supposing it were to attempt to exercise it against the wish of the contractors, they would have extreme difficulty in carrying it out. I have got a return of the whole number of ship letters and newspapers sent to all parts of the world from home in December. There were 4,400 letters, and 3,000 newspapers, making a total for the year of 53,000 letters and 36,000 newspapers. I think you will allow that the legislative enactment which permits the Postmaster General to put a small bag containing 16 or 20 letters on board private ships, was hardly intended to enable him to put 100 sacks on board a vessel, whether the owner liked it or not; but supposing the public opinion of the country justified him in doing that, there would be great difficulty in doing it. Take Queenstown, that is a very excellent port of departure, but the way to it is rather long; there are many shiftings of the mails between London and Queenstown, and the consequence is, that we cannot get the mail to Queenstown with any approach to punctuality. I have got a return of the number of occasions on which the packet which lies two miles out of Queenstown had to wait for our mails. In 1868 it had to wait 95 times out of 106 cases.

962. The boats had to wait?—Yes; supposing the contractor had been hostile, there is nothing in the law to compel him to wait. Take Liverpool, which would not be so difficult, but still it would be difficult, the Inman and the Cunard vessels lie out in the river, and they provide us with a tender to fetch our mails from the shore. But if we had to provide a tender, it might happen on a foggy morning in the Mersey that our mails would not get on board in time, and would run the risk of getting left behind.

963. You do not think that the ship-letter regulations were ever intended to apply to cases of that kind?—No; certainly not.

964. But there is the legal power to do that?—Yes.

965. The Inman and the Cunard Companies advertise that their steamers shall leave Liverpool and Queenstown at fixed hours?—Yes.

966. And if the Post Office were put to a push, it would be possible for the Post Office to take advantage of that, would it not?—I do not think we could do that with Queenstown.

967. It would be possible to do it by Liverpool, would it not?—Yes; in fact, I should say that a week or 10 days ago, when we obtained the notice that the contractors would not run a boat from Queenstown on Sunday, we ordered the postmaster of Liverpool to find steamers for the purpose of putting the mails on board the Cunard packet at Liverpool as ship letters.

968. Supposing these contracts were abruptly terminated by a decision of the House of Commons, no doubt there may be a little inconvenience for a period?—No doubt.

969. The Post Office does possess the power, if an abrupt termination of the contract took place, and not merely the power, but the capability of putting the letters on at Liverpool?—The Post Office does possess that power, and we determined to try if we did not possess the capability.

970. But you think it could not be done at Queenstown?—You might do it two or three times in the year, but you could not reckon upon doing it; it would be hazardous to proceed upon the chance of having to bring back the letters ninety-nine times out of a hundred.

971. Can you give us the rates of postage paid by the American Government for the conveyance of the mails?—Last year I believe they were paying 15 cents per ounce; this year I do not know what they are paying.

972. That is about 6 *d.* I suppose?—It was 15 cents in currency; what its real value may be I cannot say.

973. Can you give the Committee the number of companies who carry return mails from the United States?—The Cunard, the Inman, the North German Lloyd's, and the Hamburg-American. I do not know of any other. If you wish to know what they once subsidised, I may say that they once had a very powerful line, the Collins line, receiving for the fortnightly service as much as the Cunard Company receive for the weekly service.

974. Do you know when the Americans gave up the practice of paying fixed subsidies to steamships, and entered on their present system?—I cannot give

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you the date. They have paid by sea postage, or in the case of American ships by sea, and inland postage, for several years.

975. From what date has the American Government become responsible for the carriage of the homeward mails?—From the 1st January 1868.

976. The American Government never makes a contract for more than one year, I think?—I believe it is now making them from week to week.

977. Do you know whether before the year 1868 the English Government had a contract for carrying mails with any other company besides the Cunard Company?—No.

978. Had they none with the Inman Company?—No; the Inman line and the North German line and the Hamburg line were, so to speak, under contract with the American Government. They carried mails on behalf of the American Government. We credited the American Government with the sea postage, which was considered to be 10 *d.* on a single letter.

979. What did the Cunard Company receive in their last contract before 1868?—£.173,000 per annum.

980. For what services?—That was for a service once a fortnight from Queenstown to New York, and once a fortnight from Queenstown *viâ* Halifax to Boston.

981. In your contract of 1868 there is a clause for a return mail on Wednesdays; and in the negotiations that took place that could not be quite carried out, and the Company were to repay the postage which they receive from the American Government to the British Government?—Yes.

982. What amount did they repay to our own Post Office?—I think not more than 9,000 *l.* You must take the cost of that homeward service in the year 1868, to us, at 40,000 *l.*, and as I do not think we got more than 9,000 *l.*, there would be a loss of about 30,000 *l.* on the homeward service in the contract with the Cunard Company in the year 1868.

983. Then your calculations with regard to the number of letters to come home by that line must have been very erroneous?—My calculations were disturbed by one or two circumstances. First, I had calculated that the Americans would follow their former practice of paying the whole sea postage.

984. You calculated in your letter to his Grace the Duke of Montrose that the postage would have been 43,000 *l.*?—Yes, I calculated that our Cunard packets would bring home the same proportion of mails as they formerly did; and the Americans would pay the same rate of sea postage as they had been paying to the persons under contract with them, and also that there would be a certain increase of correspondence.

985. Do I understand you, that the Americans do not pay so much now as they have been paying?—No; I calculated that they would give the whole sea postage, they having been in the habit of giving the whole sea postage, which had been 10 *d.* per letter. In 1868, after the reduction, that came to be considered as only 4 *d.*; but I calculated that the Americans would give 4 *d.* per letter, or a commutation per ounce for that 4 *d.*

986. You calculated upon the sixpenny postage?—Undoubtedly; instead of doing that they paid only the 15 cents, I having reckoned that they would pay 24 cents per ounce, and they would only pay it in currency, that being about 6 *d.*

987. Now in that letter in 1868, in which you write strongly in favour of contracting with Mr. Cunard, you put the cost of sorting on board at 3,500 *l.*, and you lay very great stress on the extreme advantage of what you call the "sortation" on board?—Yes.

988. You have given that idea up now?—Undoubtedly; I did not know at the time that it would be possible to give it up.

989. But you found it possible?—Yes; we found it possible last year, when a fresh contract came in, and I found that there was a considerable demand made for the cost of sorting on board; I thought myself bound, in order to secure the same accommodation to the public that they had formerly enjoyed, to put a provision into the contract for the purpose of sorting. But I set to work late in last year to see if we could not establish sorting on the railway instead of on board, and I told the contractors that I should do that; they remonstrated and said that they had calculated on getting something in addition to the subsidies, for the keep and passage money of the sorters; they begged me to desist, but I determined

determined to persevere, and I have been able to make arrangements for sorting on the railway, by which a considerable sum has been saved.

990. Still, you estimated, in the year 1868, that at a cost of 3,500 *l.*, the sorting could be carried on on board?—Under the contract that prevailed in 1867, the Messrs. Cunard charged nothing for the sorting-rooms, and nothing whatever for the keep or passage-money of the sorters. Under the terms they asked for the temporary service of 1868; they also proposed to charge nothing for those items, and I estimated, looking to the terms which the contractor asked for, that 3,500 *l.* ought to be deducted, but when the tenders for the contract for 1869 came in, they proposed to charge over and above the amount of the subsidy for the passage-money and the keep of the sorters; Mr. Inman also proposed to do the same.

991. At all events, in the year 1868, you valued the amount of accommodation which they would give you for the purpose of sorting letters at 3,500 *l.* a-year?—Yes.

992. You considered that then an essential point, did you not?—Yes.

993. The Inman vessels sail under the British flag, do they not?—Yes, I believe so.

994. There is great stress laid in this letter on the importance of English mails being sent in vessels sailing under the British flag?—I believe they do.

995. Mr. Inman, I believe, complained in the year after his contract had been entered into for 1868 of the unfair treatment of himself as compared with the Messrs. Cunard?—Yes.

996. The Messrs. Cunard have invariably refused to tender according to your form?—Invariably.

997. Yet you have always contracted with them?—I have always thought that they gave us a service which we must get on the best terms we could.

998. Have you any reason whatever to be dissatisfied with the Inman service?—No.

999. Have you ever had any complaints?—No; Mr. Inman complained extremely of the very small amount which he got for his service in the year 1868 on the sea postage.

1000. That is not in any official document before Parliament, I suppose?—No; but Mr. Inman will tell you, if you have him before you, and he told Mr. Tilley in so many words, that it was not worth his while to carry the mails for the sea postage.

1001. I see that you consider that in the contract of 1868 the packets carried for the Admiralty were worth 1,000 *l.*?—Yes, but you must not take that into account; that was when there was a mail to Halifax.

1002. But the conditions with regard to the carrying of packets for the Admiralty are all struck out of the present contract?—Yes; and independently of that those packets do not go because there is no longer a service to Halifax.

1003. Which of the companies carrying mails are subsidised by foreign Governments, because I see at page 37, "The Department will have to fall back upon the three companies from which tenders have been received, and of which two sail under foreign flags and are subsidised by foreign Governments"?—The North German Lloyd's and the Hamburg-American.

1004. You do not call that a subsidy, do you?—I ought not to have used the term "subsidy."

1005. But the term "subsidy" is used in the document on which the contract with the Messrs. Cunard for the year 1868 is mainly justified?—I should have said, "Paid by foreign Governments."

1006. The condition was, I think, that the Cunard Company should build vessels of 2,000 tons, but seven of the present fleet are under that, I believe?—The condition is, that if the Messrs. Cunard build any new vessels, they shall not be less than 2,000 tons, but that he shall be at liberty to use those vessels that are now in his fleet.

1007. Can you say why a competent surgeon should be provided on the Cunard boats and not on the other boats?—That is an hereditary clause; there are several of them.

1008. Do you think that when you are making a contract for carrying the English mails it is not your duty to strike those clauses out if they have nothing

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to do with the carrying of the mails?—So much blame has come upon me for striking out such clauses that I am very glad I took no more out.

1009. Mr. *Hamilton.*] Blame from whom; was it from the office or from the public?—Not from the public.

1010. *Chairman.*] This clause for a competent surgeon is not in the Inman contract?—No.

1011. And it is not in the contract with the others?—No.

1012. It is merely a clause kept from the olden days, when you had all kinds of restrictions upon the service?—Yes.

1013. And when you paid them for their services accordingly?—Undoubtedly.

1014. I suppose you would not place any limit on the length of the voyage because you are quite satisfied with the Inman and Cunard Companies in that respect?—Yes.

1015. Mr. *Seely.*] I think you said that you had received a hint from some Parliamentary Committee that you were not to be very rigid in making the postal service to India self-supporting?—Yes, I did use that expression; I did not mean to convey that a Parliamentary Committee meant to give us that hint, but that really put in that strong way it was a hint.

1016. I think you wished the Committee to infer that that might perhaps operate a little with regard to the United States contract, or else why did you make that observation?—I wished the Committee to infer that we thought ourselves bound as far as possible to observe the warning given in the case of the East Indian communication in the case of the American communication.

1017. Is there not a great difference in the communication between the United States and this country as compared with the communication between India and this country?—Undoubtedly there is a great difference.

1018. Would it not be much more likely that if we relied upon competition serving our purpose to obtain a quick and punctual delivery of letters to the United States, we should get it, than if we relied upon it in the case of the postal service to India?—I think the difference may be stated in this way, that when we determined to furnish postal service to India we only got one offer, whereas when we determined to furnish a postal service to America we obtained several offers, of which we only thought some satisfactory.

1019. But I think you will see that you have still not answered my question?—Certainly the competition would be more likely to serve you in the case of America than in the case of India.

1020. You have put before the Committee some returns for the months of March and August in 1868, with regard to the time occupied in going from certain places to the United States?—Yes.

1021. Do you know whether if you took the average of the whole year it would make any difference?—I do not think it would make any appreciable difference, but I will have the average made up and sent here to-morrow.

1022. But do you know whether it would make any difference?—No, I have only tried the average of those two months which I took for the reason that I gave you.

1023. And no other reason?—Absolutely none. I may say that in taking those two months I have taken one, March, which is very much more unfavourable to my view than the other month. First, I took August; if I had given the average of August it would have been very much more remarkable than the combined average I have given; I purposely picked out a winter month to see whether I could not get something against my own conclusion. In the first two months of last year and the last two months of last year the Southampton boats were not making so many voyages as the Queenstown boats; I selected the winter and summer months in which they were making equal voyages; the return for the whole year will possibly be more in favour of my view than the existing return.

1024. I think you said you found that Mr. Inman and the Messrs. Cunard had delivered to you precisely the same tenders?—Precisely.

1025. And that it was therefore hopeless to attempt to get Mr. Cunard to alter his terms?—I said it was hopeless to attempt to deal with Mr. Inman on the terms of the previous year.

1026. Now as the Committee have had many opinions offered, besides facts put forward, perhaps you will be kind enough to tell us your opinion, supposing

posing this contract should be confirmed with regard to the position which we should stand in in 1876 as to making new contracts. My object in asking you the question is this, you had great difficulty in dealing with one company because he got Mr. Inman to ally with him, and I think perhaps there will be greater difficulty in dealing with those two companies, after they have had eight years of subsidy than we should perhaps have in dealing with them now?—I may answer your question in this way, that supposing the contract to be confirmed, and supposing those two sets of contractors to keep up the efficiency of their service, which they can only do by adding from time to time to their fleet, it would be a very good bargain for the country to make, to renew the contracts at the same rate in 1876. Supposing they did not maintain their fleet in efficiency, I think there would then be competitors on the ocean who would be able to take the mails from them.

1027. Then that opinion must of course be based on your belief that there would be no great reduction of the rate of postage?—No; I do not hold that it is impossible to reduce the rate of postage during the time of these contracts.

1028. I say "any great reduction"?—The Receiver and Accountant General, when he comes before you, will bring the best estimate he can make of the probable increase of the amount of postage from year to year, taking the ordinary rate of increase in correspondence, and he will tell you from that to what extent, even while the present subsidy is kept up, it may, in his opinion, be possible to reduce the postage.

1029. You stated that the whole of the postage, including the sea postage and the inland postage (by inland postage I mean inland here and in the United States as well) at 6 *d.* a letter, would amount to 113,979 *l.*?—Yes, with an allowance for closed mails and books.

1030. That is a little in excess of the estimate put forward of 112,000 *l.*?—Yes.

1031. Can you explain this answer from the Postmaster General to me; I forwarded a letter to the Postmaster General, and he was kind enough to forward me an answer, and I believe he sent a similar answer to Mr. Hunt and Mr. Sclater-Booth; his letter in reply is dated the 11th of March. The question I put to him was this: "I should like to know if you can tell me what was the total amount which the Post Office received in the year 1868 for sea postage to the United States; this, of course, exclusive of the inland postage here and in the United States." The answer I received was, that the British share of the entire sea postage is estimated at about 101,700 *l.*?—There is no doubt whatever that that answer is not the answer which you expected to get; the 101,700 *l.* is not the sea postage to the United States, which I take is not more than 76,000 *l.* or thereabouts; when Mr. Chetwynd comes before you he will explain to you how that discrepancy arose, but I may say now that it did not arise in the way in which it was represented to have arisen the other day; he has included the sea postage on letters from the United States, and he will explain that; I have not gone into that, but I am satisfied that the discrepancy is purely unintentional on his part,

1032. I think in your calculation that you take 4 *d.* as the sea postage, and 1 *d.* as the inland postage here, and that the United States take 1 *d.*?—Yes, on looking at the matter in this light I would say that the postage collected here and the postage collected on the other side are added together and divided equally between the two countries; the postage collected here and the postage collected in America are annually or quarterly added together, and divided equally between the two countries, each country bearing its own share of the cost; in the calculation on which I have proceeded, I have assumed that the produce of the mails outward and the produce of the mails homeward are equal. I believe I have stated the case a little against myself, because we have always considered the homeward mails the greatest of the two, and I believe they are; with regard to newspapers, there is no doubt that they are; I have considered that we had a right to do what we pleased with the whole of the postage of the outward mail, and I have calculated that that is fairly applicable to the sea conveyance; I know that we have to do the inland services with regard to the letters conveyed in the outward mail, and also that, supposing that we contend that we have a right to use the whole of the postage on the outward mail, we must take into account that we have to do certain services with regard to the letters conveyed in the homeward

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mail; with regard to the outward letters, we have to collect and transmit them either to Queenstown or Southampton, but with the homeward, we have to bring them either from Queenstown or Southampton, and deliver them; but I do not look upon those two services as by any means equal to the service done on an ordinary inland letter, which has to be collected, transmitted, and delivered within the United Kingdom, and therefore, even if I were prepared to allow that the inland rate on American letters should be set apart separately from the sea rate, I should not be prepared to allow so great a rate as in the case of ordinary inland letters; but in the case of such mails as these, it is quite fair to apply the gross postage to the conveyance across the Atlantic.

1033. Has this view ever been put forward in any public document laid before the House?—It is alluded to in the last Parliamentary Paper, I think.

1034. Is it not more generally taken that the sea postage is 4*d.*, and the inland postage 2*d.*?—There is no doubt that has been the view of the Post Office.

1035. And that has been their view up to the present time?—Undoubtedly.

1036. And would not the House, when dealing with this question, naturally consider that it was the view of the Post Office that it should be two-thirds of the sea postage and one-third of the inland postage?—I can hardly say that the House has had any views on the matter at all; I do not know that it has.

1037. Do I understand you to say that the whole of the money which we receive and the whole of the money which the United States receive for postage, is put together and equally divided?—Yes, on international letters.

1038. Then do we pay for conveying the mails to the United States, and pay for conveying the mails from the United States to this country?—Yes.

1039. Do you put those two sums together and then divide them?—No.

1040. You keep them?—Yes; that is to say, we incur our cost and they incur their cost.

1041. What is the cost to the United States of conveying letters to this country?—It is something very much less than what it has been to us.

1042. Can you give the Committee an estimate of what it is?—No; you had better ask the contractors. You will find that it is very small indeed.

1043. You conceive that a fixed subsidy of 105,000 *l.* will be about the amount we shall receive on the sixpenny letters?—That would be under the amount.

1044. You have made out, I think, that twopence a letter was about the amount which the United States paid for sending letters from the United States to the United Kingdom?—I presume that would be about it, I am not quite certain; it depends on the currency.

1045. Then, if we pay 6 *d.* it appears to me that the United States get their work done for one-fourth of what we pay?—They are getting the work done mainly at our expense; there is no doubt about that.

1046. I think you stated that you did not expect that the Cunard Tuesday boats would be very fast?—I did not expect the Cunard Tuesday boats would be so fast as the Sunday boats, certainly not.

1047. Are they generally overtaken by the Inman boats that sail a day later?—On several occasions; in January and February they were so overtaken.

1048. Are they not generally overtaken?—I do not think I can go that length; they were overtaken a good many more times than I liked to see them overtaken.

1049. I think that you have stated already that the Messrs. Cunard thought that they were entitled to more than 35,000 *l.* for their quick boats?—Yes.

1050. And that they were not entitled to quite so much for their slow boats?—It would be hardly fair to them to put it so; what they said was, that they wanted 70,000 *l.* for the two services, but they thought they earned more than a moiety by the Sunday boats.

1051. If that be the case, it is quite clear, is it not, that you are paying for the quick service more than 35,000 *l.* in reality?—I am prepared to admit that we are.

1052. I thought you had admitted that equality ought to prevail among the parties who have contracts?—I am not aware that I admitted anything of the kind.

1053. But are you prepared to deny that that is desirable;—I am prepared to admit that people ought to have more for quick service than slow service; that is the position in which the Messrs. Cunard wish to put it.

1054. But

1054. But I am not speaking of the quick and slow services and the Cunard people; I am speaking of the Messrs. Cunard, and other parties who have contracts, being put on the same footing for the same service?—I am afraid I do not quite understand your question.

1055. *Chairman.*] But if Mr. Cunard is really getting more than 35,000 *l.* for quick service, he is put on a more advantageous footing than Mr. Inman?—Very good; he contends that there is a reason for that, inasmuch as going to Queenstown on Saturday, he goes there for nothing but the mails; that has always been his contention; I have no doubt he will come before you and endeavour to make it plain.

1056. Mr. *Seely.*] I believe you have stated that one reason why he was entitled to a larger sum for the Sunday boats was that he could not take emigrants on board on that day?—Yes; he can get nothing on that day at Queenstown except some stray passengers.

1057. Does he generally take emigrants by his boats?—By the Wednesday boats he does.

1058. Would he not take them on Sunday?—I cannot tell you; his contention is that he cannot take them whether he would or no, and that is borne out by the fact that emigrants cannot be put on board on Sunday.

1059. I believe that the Messrs. Cunard can use any of their slow boats for any service?—Under the terms of the contract no doubt they can, but that is not their intention; in fact, I should say that they made the changes between the Sunday and the Wednesday not of their own motion but of mine.

1060. Reference has been made to the new convention with the United States; it is not in the hands of Members, I think, is it?—I think Mr. Page had better be examined with regard to the convention.

1061. Can you explain to the Committee why the convention is not on the Table of the House?—No, I cannot, indeed; that rests entirely with the Treasury.

1062. There is one convention which is on our Table, entered into on the 18th June 1867?—Yes.

1063. Do you remember when notice was given to terminate that convention?—Towards the end of the year 1867.

1064. I think it was given the 31st of December?—I think it was.

1065. Can you say what induced the Postmaster General to terminate that convention?—The principal ground (leaving out some minor grounds which Mr. Page can explain to the Committee) was, that we wished to enter into a fresh arrangement with the United States for the conveyance of the mails in both directions, by which arrangement the cost should be made equal to both countries, and the service equally efficient and regular in both directions; but in that object we did not succeed.

1066. When you gave notice to the United States to terminate the convention, did you accompany your notice with any reasons?—Speaking from recollection, I think we said that we should send an officer out who would explain our reasons to them.

1067. I think Mr. Trollope was sent out, was he not?—He was.

1068. And, among other reasons which Mr. Trollope gave for terminating the convention, did he give the following: that the Postmaster General had not received any tender to convey mails from Queenstown to New York on a Sunday?—I do not recollect his having done so; it is not within my knowledge if that was so.

1069. Mr. *Hamilton.*] With regard to that Treasury Minute of 1860, one of the recommendations was that, as far as possible, these contracts should be self-supporting, that long contracts should be avoided, and punctuality should be secured by adequate but not excessive penalties?—As far as possible.

1070. Do not the contracts violate those conditions in every particular?—That is entirely a question of the meaning which you attach to the term long, to the term high, and the value you set on penalties.

1071. But there are no penalties?—None.

1072. Have you ever made a contract for a longer period than eight years?—Yes.

1073. In what case have you done so?—In the case of the Peninsular and Oriental Steam Packet Company, and in many previous contracts, the period has been 10 years; the Royal Mail contract is 10 years.

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1074. Is that the extreme limit?—No, we have made a contract for 12 years with the Peninsular and Oriental Steam Packet Company.

1075. Is that a recent contract?—Yes.

1076. Is it the contract of last year?—Yes.

1077. But still you would not call a contract for eight years a short contract?—I should very much prefer a shorter contract if I could get it.

1078. Can the service be said to be self-supporting, without requiring the Post Office to render service for nothing?—Requiring the Post Office to do the service for nothing; but on the understanding that, if it did not do it, it would get nothing, and if it ceased to do it it would get rid of hardly any portion of the cost which it incurs in doing it.

1079. But that would apply to every department; if no letters went the Post Office would get nothing?—Of course not.

1080. Taking this new principle, which I believe it is, that self-supporting meant self-supporting by means of the sea-postage only; if that estimate of yours is so worthy of reliance, why should the contractors have objected to take that instead of a fixed subsidy?—That you must ask the contractors.

1081. Was it ever offered to them?—Yes, two years running; we requested them to tender once for a fixed amount for the sea postage, and once for a blank amount, and they would do neither.

1082. Is it a fact that the contractors who have been invited to tender have ever understood that the Post Office would offer them more than the sea postage?—They have never been led so to understand by me, most assuredly; in the first year, 1867, I was myself under the impression, until the tender came in, that the Messrs. Cunard would tender for the sea postage; I was at least as much disappointed as any man in the Post Office when they did not do that.

1083. On the whole, sooner than give a fixed subsidy, you would have given up the whole of the postage to the contractors; you would prefer that?—If they would have taken it; I am not quite certain that I should prefer that. I have been asked whether the present contracts offer an obstacle to the reduction of the postage to America; now, if we should undertake to give up the whole of the sea postage to the contractors, whenever we wanted to reduce the postage, we must have said to them, "We are going to reduce; the fund at our disposal is so much less, will you take the mail for a less sum"; if we give them a fixed subsidy we take to ourselves the increase of postage, and you have it in your power if there is any increase to make those reductions which appear desirable; I think that contracts by fixed subsidies when they are not excessive, afford better means of reducing the postage than contracts by payment of postage.

1084. Do you think there is any case likely to happen in which all the conditions which were alluded to in that Treasury Minute are more capable of being complied with than in the United States line, namely, that they should be paid for results, and that they should not have contracts for a long period, and that punctuality should be secured by penalties not excessive?—I think that was the most hopeful ground for an experiment; we tried it for two years, and it failed.

1085. Do you think the effect of this contract for eight years, which ties up the question for that time, is likely to diminish or increase the facilities for an open service at the end of that time?—I do not think it would diminish them

1086. Do you think it is likely to arrest the advantages of competition?—No; I think if the contract be really as valuable to the contractors as it is supposed to be, they will so exert themselves throughout that time as to put themselves at the end of it in the same position of superiority as now. If, at the end of that time they are not in that position, the power of putting the mails into other hands will be very much increased.

1087. But do you think there will be as many good vessels available for the open service as there will be eight years hence if this contract did not exist?—I am inclined to think so, but I am not a very competent witness on such a point as that.

1088. You said that one of the reasons why the Messrs. Cunard expected rather a higher remuneration for the Saturday service was, that they are not allowed to take emigrants from Queenstown on the Sunday?—Yes; they cannot do that.

1089. Is

1089. Is there any particular reason for making that a Saturday service?—Yes; we have always considered it an advantage for the mercantile community to be able to write on Saturday, winding-up all the week's transactions to America. And there is an additional reason now for keeping that service on Saturday; and that is, that the weekly mail service to India falls on the Friday, and that if you put the American post night back on to the Friday, you would throw on those houses which do a large amount of business with America and India, a very great amount of labour, and on the Post Office the very heavy duty of making up the Indian and American mail on the same night.

1090. Was the fact that the American service was a Saturday service, the reason for fixing the Indian mail, or not, on the Saturday?—I can hardly say; but I can give you an illustration of the dislike of the mercantile community to make up two mails in one night. Some years ago Mr. Crawford, and a large number of merchants in the City, petitioned for a weekly service to India, asking that the dispatch should be on Friday, uniformly, instead of four times a month on fluctuating days. We had not had the petition in more than three or four days when several of the people who had signed it, came to the Post Office to say that they had made a mistake, for they found that by putting the mail on a fixed night, it would every now and then fall in with the West Indian mail, and having both the mails at once, they would not be able to get through their work.

1091. Do you think with regard to other foreign postal arrangements, that the Saturday is the best day for the American service?—I do not know why it should not be.

1092. You have given the Committee some information with regard to the advantage of Queenstown over certain towns?—Yes.

1093. Have you seen the information which was given to the Committee by Mr. Pearson Hill, the other day?—Yes.

1094. There is a difference of opinion on that subject, is there not?—Yes; but I think, if my figures are examined, the difference will be found to be in my favour.

1095. What is the proportion between the London postal matter to America, and that of the provinces?—I have called for a return of the numbers of letters posted in London to night and to-morrow night for America, and the number of letters posted in each of the large towns in the kingdom, and that return will be in the Honourable Members' hands by Monday or Tuesday. You cannot have the Southampton return before Tuesday afternoon at the earliest.

1096. It has been stated before the Committee, by Mr. Hill, that London gains 12 hours by using Southampton as compared with Queenstown?—Supposing you posted your letters in the morning for the Southampton boat of Tuesday, London has the advantage; but my calculation is, that the American merchants do not come into town in the morning for the purpose of posting letters to catch the boats. My return will show that I am right, or that I am wrong.

1097. It has been stated by one or two witnesses that the slow service is, under existing circumstances, practically of no commercial value, but I gather that is not your opinion?—No; I do not pretend, for a moment, that it has been of so much value in the first two months of the year as I hoped it would be, but looking to the number of sacks of letters sent by it, I would regard it as convenient.

1098. If it rested with you until the cancelling of the contract, would you still adhere to the slow boats?—I think very great speed is of somewhat less consequence than regularity of dispatch and arrival; it is a great source of confusion if the mails should overlap; I cannot conceive a greater nuisance than a letter of the 20th arriving after the 21st, provided that the letter of the 20th arrives before the 21st; I do not think that extreme speed is of very great importance.

1099. But that extreme speed has always been an inducement to the country to pay so largely for the postal service?—Yes.

1100. Do you consider the last contract the less remunerative to the Messrs. Cunard's than the previous ones?—Undoubtedly.

1101. Even though they are not subject to penalties, and there is no condition with regard to the particular vessels to be employed?—Yes; in the year

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1867 they had a subsidy of 86,000 *l.* for a mail once a week in one direction by the Sunday vessels.

1102. Fast vessels?—The total subsidy was 173,000 *l.*, of that 86,000 *l.* was for the outward mail; they have now 70,000 *l.* for two mails a week, and although they say that the Sunday service is worth more than the moiety, I do not know how they can put it as worth very much more.

1103. As fast vessels burn more coal, more speed means more expense, I suppose?—No question about it, they burn an immense amount of coal.

1104. Sir *Massey Lopes.*] You mention that you were one of the secretaries to the General Post Office, how many are there?—There are two, Mr. Tilley and myself.

1105. Mr. Frederick Hill is not one?—He occupies the post he has occupied for many years, that of assistant secretary.

1106. You said that by the recommendations of the Committee of 1863 the service should be self-supporting, that contracts should not be for long periods, and that penalties should be sufficient, but not excessive; were the tenders you called for in the years 1867 and 1868 so framed as to carry out the recommendations of the Committee?—They were intended to do so.

1107. In your opinion they are so, to the best of your knowledge and belief?—What I say is, that we made an effort to carry out the recommendations, not only of that Committee, but of every Committee that has ever sat on the subject.

1108. Do you think that the contracts entered into are so framed as to carry out the recommendations of the Committee?—I think they are the best approach to the recommendations of the Committee that we could get; the sum is as low as we could get; the service is as good as we could get it, and we did not enter into the question of penalties, because we are safe without them.

1109. Do you consider that you have the same security for regularity, and the same power of supervision over those vessels that took those letters for the sea postage, as you would have where you subsidised vessels; and do you think that the public service is as efficiently conducted?—The vessels which took the letters for the sea postage were under a penalty for delay, I believe; that was not worth the paper on which it was written; it had no effect in stimulating them to the service, and all it did was to put a small portion of the payment back into the public exchequer. Where the penalty for delay is, we will say, the eighth part of the day's postage, which may be 25 *l.*, it is obvious that the extra coal which they might have to burn in driving their vessels against head winds would be very often more than the penalty itself.

1110. Do you think that the Hamburg Steam Company would have offered to take the mails at 25,000 *l.* a year if they had not had the privilege of taking other mails which the Messrs. Cunard have not got?—I should doubt it; but I can only say that at the proper time they did not offer, and by their conduct they led us to suppose that the Queenstown service would not suit them.

1111. Mr. *Graves.*] The Committee have been informed that Messrs. Cunard have some vessels by which they do not carry steerage passengers; do you know whether those vessels sail on Sunday from Queenstown?—I think you will have one of the firm here, who will be better able to answer that question than I can.

1112. Mr. *Graves.*] I think I understood you to say that the contract of last year expired in December last?—Yes.

1113. May I ask under what terms the service has been conducted since the 1st of January?—Under the inchoate contracts which are before you.

1114. No other arrangements or stipulations, I suppose, have taken place?—No.

1115. It has been stated before the Committee that the bulk of the correspondence with the United States goes from Ireland, do you confirm that?—No; a considerable portion of the correspondence no doubt goes from Ireland, but certainly not the bulk; it is preposterous to say so.

1116. Can you form any idea of the proportion which the London letters bear to the rest of the correspondence of the United Kingdom to the United States?—I have called for a return which will show that. I should imagine that London had the preponderance, but Manchester, Liverpool, Leeds, and Belfast, are very large.

1117. Do I understand you to say that, even speaking generally, the London letters

letters are equal to the whole of the correspondence for the rest of the kingdom? —I do not think there is the least probability of that being the case.

1118. You stated, I believe, that some negotiations had taken place within the last two or three weeks with regard to a change of day with Messrs. Inman, to substitute the Thursday for the Tuesday?—Yes.

1119. May I ask you if the Treasury authorised the completion of the contract provided Mr. Inman agreed to that change of day, on terms identical with all the terms of the contract for Wednesday?—Yes, they did; but I ought to say, on behalf of the Treasury, that they only recommended that as an amendment, and not as an adoption of the act of their predecessors.

1120. I did not want to put it in that light, but the present Treasury did sanction the contract?—Yes.

1121. Was that contract engrossed and sent down to the postmaster at Liverpool for Mr. Inman's signature?—Yes.

1122. Did he sign it?—Yes.

1123. *Chairman.*] You calculated on an increase of 50 per cent. as possible, and on an increase of 33 per cent. of correspondence as probable with America in consequence of the reduction of postage; has your calculation so far come true or not?—The Receiver and Accountant General is endeavouring to ascertain that. In the first two or three months of last year, after the reduced rate had been in operation for two months, I have a return made out which shows that there had been an increase of 15 per cent., but I should imagine that there has been a considerably greater increase since then.

1124. Is that an increase beyond the increase that has taken place to make up for the loss during the civil war?—Whatever it is it is the total increase, and must include both.

1125. There was a great reduction during the civil war, was there not?—Yes; the South was practically cut off from correspondence.

1126. This calculation, I presume, includes the increase on that point?—No, hardly that; the war was over more than a year ago, but the correspondence revived immediately after the cessation.

1127. Did the correspondence in the year ensuing the cessation of the war, recover the amount that you had lost during the war?—I cannot say that we recovered the amount that had been lost during the war; but it began to revive immediately the war was over.

1128. You have stated that in the contract of 1868 with Messrs. Cunard the Post Office lost 30,000 *l.* which they had expected to receive for the homeward mails?—Yes.

1129. You had estimated that the outward service would be 43,448 *l.*; was there a loss on the outward postage as well as on the inward?—You will have the figures before you to-morrow, which will accurately show that.

1130. You were calculating that the Messrs. Cunard's, Burns, and MacIvor only demanded 1,500 *l.* a year in excess of that which they would be entitled to under the sea postage rates?—Yes; I should not like to commit myself to the amount of the loss, but my calculation was not realised by a considerable sum.

1131. The Committee were informed yesterday that in consequence of the telegraph system, correspondence with America was likely to decrease rather than increase, and that it was already making a considerable difference. Knowing the interest which you take in telegraphic matters, I should like to ask you if you believe that to be true?—I think it is quite impossible it can be true.

1132. You think that the telegraph does not interfere with the correspondence with America?—My impression is that telegraphs always increase correspondence.

1133. And it was also stated that in consequence of there being telegraphic communication it was not so necessary to have quick packets, but that slower packets and cheaper postage would be more appreciated?—The price of a telegram to America is 3 *l.* 7 *s.* 6 *d.*; I do not think that because one person can send a telegram to America another person ought to be deprived of sending a letter quickly for 6 *d.*

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1134. You were Chancellor of the Exchequer last year?—Yes.

1135. And to some extent you were responsible for the contracts of the Post Office?—I should say principally responsible with regard to the financial part of them.

1136. The Committee would be glad to have any information from you which you may be kind enough to give about those contracts?—I am not aware what evidence has been given before the Committee until to-day; I have been present during the whole of this sitting, and I have heard the evidence of the noble Lord the Postmaster General, and Mr. Scudamore; perhaps I might refer to one or two points which arose in the course of the examination of both those witnesses; first, with regard to the Papers being laid on the Table of the House, and the inconvenience and unfairness to the contractor of not knowing, when he commenced the service, whether the contract would be ratified; my attention was called to that when I was Secretary to the Treasury; we found that the recommendation of the Committee of 1860 had this disadvantage, that supposing a contract had to begin, say on the 1st of January, as in this contract, and Parliament was not sitting in the autumn, it was impossible to know, when the performance of the contract commenced, whether the House of Commons would ratify the contract; we were in very considerable difficulty about that with regard to the Peninsular and Oriental contract, because that was a contract about which there was likely to be considerable difference of opinion; we had to enter into a contract for a term of years, to commence at the beginning of the year, when, at the time, there was no chance of Parliament meeting before the commencement of the performance of the contract, and that was a question of very considerable embarrassment to the Government; but it so happened that the Government thought Parliament should meet with regard to the Abyssinian question, and that relieved us of the difficulty with regard to the Peninsular and Oriental, because I was able to lay the contract before the House in November, with all the correspondence; the Committee are well aware that one of the rules laid down by the Committee of 1860 is this, that if a contract lay on the Table of the House for a month without disapproval, it should be considered ratified, but that supposing Parliament does not sit for a month, it is necessary for some member of the Government to move the adoption of the contract, except you evade the rule laid down. Of course if the contract was laid on the Table, and Parliament adjourned, it might be said that after the month had elapsed the contract was valid; but in that case of the Peninsular and Oriental contract I moved the ratification of the contract by the House, and the House assented to it. The same difficulty seemed likely to arise with regard to this American contract, but it was determined, and announced to the last Parliament, that it was the intention of the Government to advise Her Majesty to call Parliament together for the dispatch of business during December, and that relieved us of the difficulty. It was my intention to give directions for the whole of the correspondence to be placed on the Table of the House, along with the contract, on Parliament meeting in December, so that the opinion of the House might be taken upon the contract before the services commenced; I have no doubt that, in consequence of the change of Government, this matter was not so fully considered as it would otherwise have been, and the consequence is, that we have now arrived at the month of March, the contracts having been commenced to be performed in the month of January, and the contractors do not yet know whether their contracts will be ratified by the House or not. That is a position of very considerable difficulty and inconvenience; and supposing the House of Commons refuse to ratify the contracts, they will be in this position, that they may have performed the service under the terms of the contract up to this date, and yet will not be sure that they will receive the remuneration promised them by the contract. It is a question whether the rule laid down by the Committee of 1860 does not require modification on this ground.

1137. That is a question of hardship to the contractors from circumstances over which there was no control?—Yes, I thought the Committee might append to their Report some recommendation on the subject.

1138. But

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1138. But the main point relates to the reasons which induced you to undertake these contracts with the Cunard and Inman Companies?—Yes; questions were put to Mr. Scudamore with regard to the view which he took of the recommendation of the Committee as to the terms on which contracts should be made, and as to what he understood by the rules laid down by the Committee; and if I might be allowed to follow out that point, I should like to call attention to what took place last year on that subject, showing that the House of Commons did not wish to bind the Government by a hard and fast rule. I think it is in order to allude to this, because some complaint has been made that the Government did not abide by the rules laid down by that Committee, but departed from them in an irregular manner. A question was put on the paper the other day by the Honourable Member for Manchester, asking whether these contracts had not been entered into in breach of the implied promise of the Government, and the speech of the Honourable Member for Lincoln, in moving for this Committee, I think it was very much in that sense. The Honourable Member for Montrose, who has been examined before this Committee, brought forward a motion in the House of Commons last year, to this effect: "That in the opinion of this House no postal subsidies in the form of a fixed payment and not dependent on the number of letters and newspapers carried, should be granted where the ordinary traffic supports several lines of passenger steamers, as is the case between this country and the United States of America;" so that the Honourable Member for Montrose sought to bind every Government by a fixed rule on the subject. It fell to my lot to answer him, and I pointed out the objections to any such fixed rule, that the Committee of 1860 had had this matter before them, and had recommended that it should be left to the discretion of the Executive, and that there might be some considerable embarrassment to the public service if such a fixed rule were laid down; it was put to the House of Commons whether there should be a fixed rule, and the mover withdrew his motion; therefore I say it could not be considered that the recommendations of the Committee were to bind the Government without any discretion.

1139. Will you let me read a question which was put to the Honourable Member for Montrose at the last sitting of the Committee; it is Question 631. "You are under the impression that the late Chancellor of the Exchequer had an understanding with you in reference to the withdrawal of your motion; that he would, in fact, do his best to avoid making contracts with large subsidies; did he not loyally try to carry that out last year? *A.* He did most loyally."—I should say with regard to the question of a private understanding, that I had no private understanding with the Honourable Member for Montrose last year; all that took place took place in the House of Commons in debate. I will now come to what induced me to offer the terms on the part of the Government, because I was myself the originator of a counter proposition; Mr. Scudamore has stated all the circumstances so fully that I need merely say that I believe he is entirely correct in his recollection, and that I endorse what he said. We endeavoured to carry out Mr. Baxter's scheme of having fixed days for different ships to convey letters for postage rates. We advertised for tenders; and as I stated in the House the other night, they were not responded to; but in order to understand our position, we ought to look at what took place the year before. We advertised the year before, and exactly the same companies made offers then as made them this last year.

1140. But on different terms I presume?—On different terms; but the competitors were the same companies as in this case, so that our advertisement did not bring any fresh companies into the field; I was led to suppose that the German companies, the Hamburg-American, and the North German Lloyd's, would not consent to start from Queenstown, and it appears to me that the services offered by those companies, with the exception of the Inman and Cunard Companies, would not be satisfactory to the public. None of those companies tendered in the form in which the Post Office invited; I was entirely convinced that the services from Queenstown were the best for the public, and it seemed to me that really the only way in which we could obtain an efficient service was to induce the Cunard and Inman Companies to abate their terms, and I was fully determined that the services should be as far as possible self-supporting, as I stated in the House of Commons.

1141. In the contract of 1868 I believe you did not induce Mr. Inman to

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abate his terms because he had tendered for the postage?—I am now speaking of the last tender; I alluded to the offers of 1868 to show what our choice was; we were limited to the companies that came forward on each occasion. It appeared to me that the only way of obtaining an efficient and self-supporting service was by endeavouring to induce the Cunard and Inman Companies to abate their terms. With regard to the length of time, I thought 10 years was too long, but at the same time I was fully impressed with the opinion, as I stated in the House during the debate, that you could not expect good ships to be put on the line unless there was security that the contract would last for a certain time, and I thought taking three years off from the time of the offer was not an unreasonable period to bind the Government for. With respect to the financial part of the transaction, as has been stated, I asked for an estimate of the amount which the postage of letters in the current year would come to, and it was stated to me by the Post Office that the best estimate they could make to us, 112,000 *l.*; I thought some margin should be left, and I struck off 7,000 *l.*, leaving a balance of 105,000 *l.*; and I was under the impression if the three services could be done for that amount, that that was a very good bargain for the public. I should say that, in the previous year, I had personal communication with Mr. John Burns, on the part of Messrs. Cunard, and I thought I had understood from him what the views of the company were; I felt convinced it was very questionable with their company whether they would go on carrying the mails at all; I was quite certain, from what was stated on that occasion, that unless they got a contract for a certain time, and on terms which they could depend upon, they would abandon the service altogether; I therefore advised the Post Office officials to make the offer which has subsequently been embodied in the contract; I think that the date with regard to the question of responsibility of the late Government is rather important; I think my authority was given in the last days of September, and in consequence of that an offer was written by Mr. Scudamore on behalf of the Post Office on the 1st October, and that was accepted by Mr. John Burns on behalf of both companies on the 7th of October; the formal contract was not signed for some reason or other until sometime afterwards, but at that time the bargain was really completed.

1142. I find in the Postal Contracts, No. 77, there is a letter, No. 11, from Messrs. Cunard, Burns, and MacIvor, to the Secretary of the Post Office, dated the 28th of October 1868, acknowledging the receipt of a letter of the 27th of that month, accepting the tender for the conveyance of Her Majesty's mails to New York and Boston?—There was a question raised in the House as to when the contract was made. The offer was made on the 1st of October, and it was accepted by the Messrs. Cunard in a letter from them on the 7th of October. There were some minor questions discussed, and there was a formal communication from the Post Office a few days later; I was not aware of that the other day, but the actual contract was not signed until some days later.

1143. The final letter, when all the small points were settled, appears to have been addressed on the 27th of October?—Yes, the actual legal document was not signed until some time later; I am not sure whether it had not to be sent out to America for one signature. I have understood it has been suggested to the Committee that what ought to have been done when no tender was submitted to the Government, in the form proposed by the Post Office, was to re-advertise. First of all, I should observe that we advertised in two different years, and the same competitors appeared on each occasion. Therefore, there was no reason to suppose that any other competitor would be brought forward by re-advertising. Secondly, some time must elapse in advertising for tenders before receiving them, and we should have been driven to very near the period when the service would have to be commenced, and we should have been more entirely in the hands of those who had already offered than we were at that time; we were in a much stronger position for enforcing our own terms than we should have been later; therefore, I think it would not have been a judicious plan to re-advertise. Supposing our negotiations with the Liverpool Companies had broken down at the last moment, we might have advertised; but we were stronger without such second advertisement than we should have been with it. It must be remembered that some time is necessary after a bargain is made for a contract with a company, for them to get their fleet ready. And it is exceedingly undesirable that there should not be some interval between the time when the bargain is made and the time when the service is to commence. We were put to great difficulty the year before by

reason

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reason of the late period of the year at which the arrangements were made. It was difficult to enforce our terms on the tenderers because so little time had elapsed since the old contract had expired, and I was anxious last year that the new arrangement should be made as soon as possible, so that we might be in a condition to commence the service. With regard to the terms, it is not without precedent that the inland postage should be added to the sea postage as a part of the subsidy paid to the contractor, and I have just had my attention called to a part of the examination of Mr. Frederick Hill, who, in answer to Question 538, states, with regard to the postage service, "The service to the Cape, which, when the packet service came into my hands, was productive of a very heavy loss to this country, was brought so nearly within that principle (viz., of being self-supporting) that the remuneration consists of the sea postage augmented by the inland postage." So that, so far as regards the Cape service, that principle has been adopted. The 105,000 *l.* to be paid for this service, taking the inland postage together with the sea postage, is now rather more than self-supporting; but with the increase of correspondence which may be expected according to what has taken place heretofore, there will be a very considerable balance in favour of the Exchequer before very long, of which either the Exchequer may reap the advantage, or which may be used in the way of reduction of the postage.

1144. Upon what do you base that?—Mr. Chetwynd, who has made that calculation, I understand is coming as a witness, and therefore I would rather not produce it now; I consider that the bargain which was made is a very good one for the country, because we have to continue throughout this term of years the same amount of subsidy, while the amount of the sea postage and general postage, which will be earned, will be very extensively in excess.

1145. You are basing your statement on the estimates furnished to you by Mr. Chetwynd of the Post Office?—Yes; I take the figures as sent.

1146. That is your belief?—My belief is that, supposing that the amount of the correspondence goes on increasing, there will be a large balance in favour of the Exchequer which may be used, if desired, in the way of reduction of the postal rate.

1147. But your belief of that must be based upon certain figures; you must ground the belief that it is an advantageous contract on certain figures which have been supplied to you?—I have been informed by the Post Office that the correspondence has been increasing year by year, and supposing it to go on increasing, whatever the figures are, there will be some gain to the Exchequer, more or less, according to the figures.

1148. You remember some instances which were given by Mr. Scudamore; we must look back to 1867 as well as 1868; you remember the basis of his calculation which induced the Government then to accede to a contract for a year with Messrs. Cunard?—Yes.

1149. And you remember that he to-day admitted that on the return postage alone there is a loss of 30,000 *l.*, and he thinks that it may be nearly 40,000 *l.*?—That is another question altogether, because this contract only provides for the outward correspondence; with regard to that special contract of last year, Messrs. Cunard were to convey the correspondence outwards and homewards, and they were to allow the Post Office to receive the postage paid by the American Government for the homeward letters.

1150. Mr. Scudamore estimated that loss at 30,000 *l.*?—Yes.

1151. And he admitted that his estimates were 7,000 *l.* or 8,000 *l.* wrong upon the home postage; I am speaking of the loss upon the combined services, namely, the Inman and the Cunard?—Last year's estimate for the Cunard service was framed on the supposition that we should receive a certain amount from the United States Government for postage home, but we did not receive it, and this is merely based upon the amount of outward postage to America.

1152. Taking altogether out of the calculation 43,000 *l.*, which it has been estimated we have received for the postage home upon the contract with Messrs. Cunard for the year 1868, there is a still further loss?—There is another element in the calculation. After that calculation was made a discussion arose in the House with regard to the employment of the Hamburg-American Company. It was brought forward by the present President of the Poor Law Board, and he urged, in common with many others, that a contract should be made with that company. In deference to their opinion a contract was made, and of course the sea postage earned by that company must be subtracted from the estimate which was made of the probable earnings of the Cunard Company.

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Consequently the estimate was disturbed by that, as well as by the failure of the United States Post Office to send back the same amount of correspondence as was expected by the Cunard line. Of course, with regard to these figures, you will have the best authority upon the subject, and it is impossible for me to go into detail about them; but I only state to the Committee the estimate which I had given to me, and also my knowledge that the correspondence was yearly increasing.

1153. You have stated that you only received tenders from certain companies, and that Messrs. Inman and Messrs. Cunard almost dictated their own terms with you?—When?

1154. For the last contract, that if you wished to have the service from Queenstown, Messrs. Inman and Messrs. Cunard were the only parties who made an offer?—I should not say that it was correct that they dictated their own terms; their terms were 11 years and 150,000 *l.*; we reduced the term by three years, and we reduced the amount by 45,000 *l.*; it is practically eleven years and eight years; but I think that it is not quite accurate to state that they dictated their own terms, considering that we reduced the period by three years, and reduced the amount by 45,000 *l.* on the three services.

1155. You consider that they were placed at an advantage in negotiating with you, as being the only firms at Liverpool who did so?—No doubt.

1156. Do you not think that your conduct with respect to the contracts of 1867 had a good deal to do with strengthening their hands; I will refer you to a letter which you received from Mr. Inman, dated 22nd November 1867, in which he says, "I tendered to advertisement in full faith that the Post Office had fixed the pay, and I think even now others will do it if Cunards will not; our steamers are as good as Cunards'"; and he goes on to say, "If, then, Cunards' not tendering according to advertisement receive their own terms, may I hope that I may give six months' notice, and obtain equally high terms? I respectfully press for equality with hitherto most highly-favoured competitors, or in other words, that they may be reduced and my company advanced to what has been hitherto Ocean Mail Postage; as I understand, it is a matter for the Cabinet; may I hope this may be submitted before a final decision?" Mr. Inman had tendered according to your form?—Yes.

1157. And you accepted him; but while accepting him, you gave Messrs. Cunard more favourable terms?—Yes, because we had no other competition for that service.

1158. Do you not think that by doing that, if Messrs. Cunard and Messrs. Inman agreed to join together, you gave them a very great advantage as against the Post Office?—I do not see it in that light. I believe that the circumstances that they were the only companies who were prepared to contract for services from Queenstown gave them an advantage; it was not the way in which we dealt with them, so much as that if they combined they had practically the monopoly from that port.

1159. If there had been no intention to combine, would not the Inman Company have been a rival company to the Cunard Company?—Yes.

1160. And instead of putting the Inman Company on fair terms with the Cunard Company, you still gave the Cunard Company a very considerable advantage as compared with the Inman Company, who had offered to tender?—I suppose that they had found that they were the only companies whose ships called at that port, who were willing to contract; and finding that, I suppose that they thought that by combining they could obtain good terms from the Government. The Government has only an opportunity of beating down the contractors by competition. If you have no competition, of course the position of the persons who tender is very strong.

1161. Having accepted the tender of Messrs. Inman at that time, do you not think that the Government, instead of giving Messrs. Cunard a more favourable contract, ought properly to have advertised, or communicated with some of the other companies upon the subject?—You are now getting back to the temporary contract of 1868, made in 1867. If you are going into that contract, we must go into the circumstances of it, the time of year at which we had to make our decision, and the possibility of providing for the service in another way. It was a matter which was very fully discussed in the House of Commons, and I believe that the House of Commons was satisfied that we made the very best arrangements under the circumstances; but if you wish to go into the reasons,

I am

I am quite prepared to go into them. I think that it was only six weeks before the service had to be commenced that we had to make our decision.

1162. The six months' notice was given in July, and this letter of Mr. Inman's, a portion of which I have read, is dated the 22nd November?—Yes.

1163. That was after the contract had been given to Messrs. Cunard?—That, I think, was rather an exceptional contract, because it was only about six weeks before the service had to be commenced, and the Government were in a very great difficulty, because there was no offer whatever for a Saturday service, I mean a Sunday service, from Queenstown. That was found by experience to be a matter of great importance to the merchants of this country, and it was thought that, looking to the mercantile correspondence, there would be very great inconvenience unless such a service was provided. We had no person willing to perform that service except Messrs. Cunard, and the question was as to the amount, and under those circumstances we were placed at a very considerable disadvantage in negotiating with them. We, I believe, made the best bargain which we could at the time, and I am not aware that anything which we did then at all weakened our hands in the negotiation which we had in the subsequent year. I believe that it was the circumstance that Messrs. Cunard and Messrs. Inman were the two companies willing to perform services from Queenstown, and the fact of there being no competitors which strengthened their hands.

1164. You heard the answer of Mr. Scudamore, that the United States are getting their work done mainly at our expense?—Yes.

1165. You scarcely consider that to be a right and fair thing?—No; but I do not know whether it can be avoided under the present system. I do not know what their regulations are, and what powers are in the hands of the Government.

1166. The United States, at all events, are able to get their tenders accepted on very much lower terms than ours?—I am not aware what powers are in the hands of their Government with regard to making contracts, but when I came into office I felt that our hands were very much tied by the rules laid down by Parliament. We have to lay all contracts upon the Table of the House, and to get the approval of the House to them, and then we have to arrange these contracts accordingly, as to when they are to commence and when they are to be ratified, and we have to fix certain times. Our contractors are anxious to get what they can for the homeward voyage, and no doubt the American Government have a great advantage in making their bargains afterwards. There is another great disadvantage which we are always under in contracts, namely, that if Parliament is sitting questions are being constantly put in the House as to what is going on, and a great many Members of the House, whose friends, if not themselves, are commercially interested in contracts, put questions in the House respecting the negotiations. I am perfectly certain that one of the last important contracts which were made was not so advantageously done as it might have been if Parliament had not been sitting.

1167. I have always understood that there is much more interference by members of Congress than in the English Parliament?—It may be so; we endeavoured, by a convention with the United States, to obviate that, so that it should not cost us any more than it cost the United States, but we were unable to get them to accede to the terms; if we had been able to get our way, I think that the observation of the Honourable Chairman on the subject would not have arisen.

1168. Mr. *Seely*.] I think that on the debate, when I moved for this Committee, you stated that the sum received for the outward mails to the United States in the year 1868 was 101,700 *l*.?—Yes, the estimate given me by the Post Office was, I think, 101,000 *l*.

1169. For the sea postage?—£.101,000, I see from the Paper, was the amount which I received from the Post Office; I am not prepared to be exact as to how it is made up, and I believe that Mr. Scudamore thinks that there may have been some error in it.

1170. When you gave that statement what was the impression which you wished to convey to the House; did you wish to convey to the House that the 101,000 *l*. was calculated on receiving 6 *d*. or 4 *d*.?—I understood that that was the sea postage.

1171. That is 4 *d*?—Yes.

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1172. Then from the estimate of 112,000 *l.* which it is said was received, one-third would have to be deducted for inland postage?—No doubt.

1173. A question was put to you with regard to not advertising, and I think that you were quite correct in not advertising a second time; but do you not think that it might have been as well to have applied to the other parties who tendered, as well as to Messrs. Inman and to Messrs. Cunard?—I was under the impression that their engagements in other countries would prevent their calling at Queenstown.

1174. I think that in the tender of the Hamburg Company there was a memorandum at the bottom, that if the conditions were not exactly what the Post Office wished, they would be inclined to modify them?—Yes.

1175. Mr. *Hamilton.*] I think that you said that you had come to a determination in your own mind that, if possible, these services should be self-supporting?—Yes.

1176. Did you mean self-supporting in the sense of being supported by sea postage, or by sea postage and inland postage, too?—That they should be supported by sea postage alone, if possible.

1177. That is not the case?—That is not the case in this year, but I think that it will be the case, and more than the case, if the contract is ratified for the term.

1178. Through an increase of correspondence?—Yes; because if the correspondence goes on increasing while the payment remains the same, I think that even for the sea postage there will be a considerable balance in favour of the Exchequer.

1179. From the information which you have derived from the Post Office, have you come to the conclusion that the correspondence with the United States does increase considerably from year to year?—Yes; I know, from all the matters with which I have had to do in connection with the Post Office, that the correspondence increases.

1180. You have also stated that the Government could not expect good ships to be put on the line without some security as to time?—Yes.

1181. Is it not the fact that the Inmans' vessels, which are almost on a par with the Cunard vessels, have been put on the line without any postal arrangement at all, and without any security as to time?—Yes; but I am not at all sure that they have not been anxious to get into the postal service, and we have always thought that they have been glad to get in the thin end of the wedge.

1182. You think that it is not improbable that the prospect of getting a subsidy has been an important inducement to these other lines?—I think that it is very possible.

1183. It was stated to the Committee, yesterday, by more than one witness, that there was no reason to suppose that the immediate termination of these contracts would lead to any serious inconvenience; is that your opinion?—My opinion is that it would lead to very serious inconvenience.

1184. You think that there would be no immediate means of forwarding mails either with equal speed or with equal regularity?—I think not. Of course my views are very much derived from the Post Office; that is my impression. I do not think that there would be no means of forwarding the mails, but I think that there would be a very great inconvenience as regards the irregularity of the delivery.

1185. Of course there would be the means of forwarding the mails, but regularity and punctuality and dispatch would be sacrificed?—I think so.

1186. Was it ever brought under your notice that these contracts contain a great many what may be called non-postal conditions?—I believe that they do contain some; there is one with regard to taking the ships in case of war.

1187. There are many such conditions?—There are some others.

1188. Was it brought under your consideration, whether it might not encourage tenders if those non-postal conditions were done away with?—I do not think that my attention was particularly called to any such conditions except that one, that in case of war the ships should be at the service of the Government, but I considered that those conditions were very much matters to be discussed between the Post Office and the Admiralty. In the Report of the Committee of 1860 there was a recommendation that the condition of postal contracts should be submitted to the Admiralty, and I believe that that is done.

I did not think that some of those minor conditions were particularly matters for me to consider.

Right Hon. *G. Ward Hunt*, M.P.

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1189. In your communications upon the subject with the Post Office authorities were you pressed with what Mr. Scudamore called "hereditary conditions."

Mr. *Scudamore.*] We struck out the Admiralty clause from the contract, and at the request of the Admiralty, made very strongly to the Treasury, it was inserted again.

Mr. *Ward Hunt.*] I remember it perfectly well.

1190. But are there still what come under Mr. Scudamore's definition of "hereditary conditions" in these contracts?—Yes.

1191. You say that the action of the Government is very often impeded by the publicity of its proceedings in an inchoate stage of these negotiations?—Yes.

1192. But those Parliamentary rules only apply to the cases of contracts when the remuneration is to proceed from monies voted by Parliament?—Yes.

1193. If, therefore, the remuneration was by means of postage, that is to say, paying for results and for services rendered, I do not suppose that the Parliamentary rule would apply at all?—Yes; I think that if it was for a term of years the rule would apply. The question, I think, is as to a term of years. I do not see the expression now, but my recollection is that it is a question whether the contract was made for a term of years, or not; and that if it was only made for one year, there would be no occasion to obtain Parliamentary ratification.

1194. I thought that that arose after the determination in the House of Commons to keep the appropriation of public monies entirely within its own control, and that therefore the rule would not apply in the case of remuneration being paid out of ocean postage or any postage?—I cannot find the words; I feel nearly certain that it is as I have stated, because when we laid the contracts upon the Table last year, a question arose at the Treasury whether they were to be laid upon the Table or not, and I remember saying that I thought that it was desirable that they should be laid upon the Table, although the contract was only for a short time.

1195. Sir *Massey Lopes.*] You mentioned that the contract was taken on the 7th of October; can you say at what period the late Government went out of office?—I think that it was upon the 3rd of December.

1196. So that there was an interval of nearly two months between the acceptance of that contract and the late Government leaving office?—Yes.

1197. Mr. *Graves.*] In the course of the evidence to-day, I dare say you have gathered that new proposals have been made since these contracts have been called in question; are you sufficiently conversant with the nature of these offers to be able to give any opinion to the Committee as to whether they at all alter your views as to the propriety or the non-propriety of the arrangement which you made?—Not at all; I do not know that that would enter into the consideration of the question. It seems to me that all that one has to look to is, what were the materials for forming a decision last October? Tenders may be very different in March 1869 from what they were in October 1868. I know nothing about any subsequent offers; I have been out of town for two or three days, and only came back yesterday, but I do not imagine that the Committee has been instructed to receive new tenders for the service.

1198. *Chairman.*] We have nothing to do with tenders; is there any other point which you wish to mention?—No.

Mr. *Andrew Duncan*; further Examined.

1199. *Chairman*] I BELIEVE that you wish to correct something which you stated in your former examination?—On my former examination I answered certain questions to the best of my knowledge at the time, and promised to ascertain the facts; I beg now to state the account which I have received. There has been a mistake, and instead of pounds sterling it was Prussian thalers—it was 30,000 Prussian thalers. The Hamburg-American Company sent this telegram

Mr. *A. Duncan.*

Mr. *A. Duncan.*

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gram to us, which I received yesterday afternoon, but just too late for the sitting of the Committee: "Prussian Government pays us two silber-groschen single letter rate, and for newspapers four silber-groschen per thousand grammes. Last year we received about 5,000 *l.* for outward German mail in 44 voyages, great portion of German letters going by closed mail, *via* England. Now having sufficient number, fast steamers will make 52 weekly voyages this year under Prussian mail contract. We get from Havre to New York about 5,000 ship letters per voyage, 10 centimes each, pending result of arrangements for French mail contract; that is, 2¼ *d.* for the Berlin letters and 1 *d.* for the Havre postage."

1200. What is paid for the Berlin letters?—Something between 2 *d.* and 2¼ *d.*, per single letter; and from Havre 10 centimes each pending the result. There is a second telegram which they have sent to us this afternoon: "In explanation as to price asked from Queenstown, we point to great cost and inconvenience of our having to come all the way from Hamburg *via* Havre. Were our ships starting from Liverpool, we might of course do it much cheaper." That is with respect to the offer of 25,000 *l.*; one of our steamboats accomplished last night the quickest passage ever made from New York to Cowes; here is the log, and upon one occasion she did 368 miles in 24 hours; that is 15⅓ miles per hour the whole day; she accomplished the voyage from New York to Cowes under nine days; the name of the ship is the "Holsatia."

Mr. *Thomas Wallis*; further Examined.

Mr. *T. Wallis.*

1201. *Chairman.*] I THINK that the information which you have to give is almost the same as that which Mr. Duncan has just given?—Yes.

1202. Have you also communicated with your company to ascertain what you receive per letter?—Yes; it is two silber-groschen a letter.

1203. That is 2 ¼ *d.* for a half-ounce letter?—Yes, and upon the average there are about three letters to the ounce; it is about 7 *d.* per ounce.

1204. Have you the rate for newspapers?—No; but Mr. Duncan has already given it to the Committee.

1205. The total amount for papers and letters received last year does not exceed 6,000*l.*?—That is so.

1206. To Mr. *Duncan.*] What is the postage for newspapers?—It is 5 *d.* for 2 lbs., that is 2 ½ *d.* a lb.

Mr. *William James Page*; Examined.

Mr. *W. J. Page.*

1207. *Chairman.*] WHAT is your position in the Post Office?—I am Assistant Under Secretary; will the Committee allow me to say that I have ascertained from the Clerk of the Committee that this convention with the United States has been laid upon the Table of the House, and also that not knowing that I was to be examined in any way, I am only speaking from recollection; I think that I know the circumstances connected with the conclusion of the convention, but I have no papers with me to confirm anything which I may say.

1208. On what points do you wish to speak; is it with regard to the convention?—I do not volunteer anything; I thought that the Committee wished to examine me. I think that what the Committee desire to know is, in what points the convention concluded last year differed from the convention concluded the year before?

1209. I certainly wished to know that?—I believe that immediately after it was decided to terminate the convention entered into in 1867, the Postmaster General determined to send somebody out to America with a view of endeavouring, by personal communication, to see whether a better convention might not be made, a convention more in accordance with the views then entertained by the Post Office; I think that the principal point to which the attention of Mr. Trollope, who was sent out, was directed, was that of inducing the American Post Office to join with us in making a contract or contracts for the conveyance of the mails upon equal terms; his instructions desired him to endeavour to do this in various ways; if we could not make joint contracts, he was to endeavour to get them to agree to a uniform form

form of tender being issued in the two countries; in that respect he entirely failed; the consequence was that the convention which was concluded in 1868 differed in very few particulars from the convention of 1867; in the instructions given to Mr. Trollope, his attention was called to certain minor points in the convention of 1867, which seemed to require alteration, and in these particulars the United States, I believe, agreed in all respects. Upon looking over the convention, I see that the first alteration is, that whilst the Convention of 1867 left each office at liberty to collect what rate of postage it thought proper upon a letter, provided that that postage did not exceed a certain sum, the Convention of 1868 fixed an equal sum to be collected in both countries; in like manner, with regard to an unpaid letter, whereas the Convention of 1867 left each office at liberty to make what surcharge it thought proper on such unpaid letter when received, the Convention of 1868 fixed the amount to be collected by each office on an unpaid letter. The Convention of 1868 further contained a paragraph in which the two offices undertook that, at the end of 12 months from the commencement of that convention, the question of a further reduction of the letter rates of postage should be considered. The Convention of 1868 reduced the charge to be levied in the United Kingdom on a newspaper for the United States from 2 *d.* to 1 *d.*; I ought, perhaps, to say, that we did not consider the charge of 2 *d.*, which was made under the Convention of 1867, too much; but, as the United States were only levying 1 *d.* on newspapers sent to this country, we preferred reducing our rate to 1 *d.* to leaving the rates unequal in the two countries; the next alteration was a very slight one; instead of fixing the postage on book packets, and samples, at a certain sum for 4 oz., it fixed a certain smaller sum for packets exceeding 1 oz. or not exceeding 2 oz. I believe that the only remaining alteration was, that, whereas the Convention of 1867 had decided that the two offices should fix by mutual agreement the transit rates to be paid by one office to the other, the Convention of 1868 fixed those amounts, there having been time while the Convention of 1867 was in operation to ascertain what was the right sum to be accounted for by one to the other. There was also a deduction made of one cent (one halfpenny), in the charge to be made by the United States upon a letter sent through England addressed to the United States. With those exceptions I believe that the Convention of 1868 agrees with the Convention of 1867.

1210. Was there any great difference of principle in these Conventions?—The charge on letters being fixed is rather a difference of principle.

1211. There was a difference in principle, namely, that the Convention of 1868 fixed a minimum rate?—The Convention of 1867 allowed each office to collect what it liked, provided that it did not exceed a certain maximum; the Convention of 1868 actually fixed the rate.

1212. Were there penalties at any time in the contracts with Messrs. Cunard?—There never were penalties for excess of time on the voyage; there were penalties for not having a vessel on the appointed day; I am not aware of any other penalties.

1213. Mr. *Graves.*] Have they ever failed to have a vessel on the appointed day?—I think that I may safely say that they never have.

[Adjourned to To-morrow, at 12 o'clock.

Saturday, 20th March 1869.

MEMBERS PRESENT:

Mr. Dent.	Mr. E. T. Hamilton.
Mr. Graves.	Sir Massey Lopes.
Mr. Greaves.	Mr. Seely.

JOHN DENT DENT, Esq., IN THE CHAIR.

Russell Sturgis, Esq.; Examined.

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1214. Mr. *Graves.*] ARE you a partner in the house of Messrs. Baring Brothers?—I am.

1215. Have you formed any opinion as to the efficiency and regularity with which the mail service is conducted by the Cunard and Inman lines?—Yes, we find that it is conducted extremely to our satisfaction, with great regularity, so that we are able to-day to make arrangements accordingly; for example, to-day I am able to attend the Committee here, because yesterday afternoon, finding that there was no telegram that the steamer had arrived at Queenstown, I knew we could not have letters this morning and should not have them till Monday. This morning I had a telegram from Queenstown, by which I know that we shall have them on Monday. I mention that to show the regularity upon which we can count.

1216. You attach some importance to that great punctuality?—Yes, in the same way as I should to the importance of mails going out at night for the Continent, going out at a certain hour instead of an uncertain hour.

1217. Regularity is a most important feature?—Yes.

1218. Do you think that the proposal of having three services in the week, as arranged under these new contracts, will give satisfaction to the mercantile community?—It will be quite as much as required, undoubtedly.

1219. Do you generally write by Queenstown, or by Southampton?—Queenstown invariably; in the case of the Southampton steamers, it is not the commencement of their voyage; they come from Germany, and they may be delayed by stress of weather, so that we do not know when our letters may go by the Southampton steamers; but in the case of the Queenstown steamers, we know that if we write to-day a steamer will be waiting there to-morrow, and will be sure to leave to-morrow afternoon. There is another point with regard to Queenstown, which strikes me as a very important one, that is, before the Queenstown arrangement we had all our letters to finish on Friday night; that sometimes drove us so very hard that, when I was one of the junior partners, I have frequently been obliged to take a cab at eight o'clock, and rush up with a whole bag of letters to catch the train at Euston-square, and put them into the bag, paying 1*s.* upon each letter, because it was our last chance. Now we finish off our letters on Friday night, as many as we can; then we have Saturday, in which to write any that we could not finish on Friday, and we have also the opportunity to answer letters which, in the summer, we get on Saturday morning. All that is a very great advantage which we have in having Queenstown as well as Liverpool.

1220. Do you consider it is very desirable that the delivery of letters should be as much as possible simultaneous throughout the whole country?—So far, as

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may be, because otherwise it enabled, perhaps, parties, who got possession of theirs first, to act upon their information to the great detriment of those who do not get theirs. People who were lucky enough to get letters on Saturday afternoon might have a great advantage over London gentlemen who did not get theirs till Monday morning. It often happens that letters are delivered in Paris before they are delivered in London. Steamers get in in time to enable letters to reach the Post Office on Saturday night, which letters go over to Paris, and are delivered on Sunday morning, while we do not get ours till Monday morning.

1221. Would the simultaneous delivery be as well effected by Southampton as by Queenstown; I mean with reference to the United Kingdom?—It is more uncertain; I am not sufficiently conversant with the running of the mails to tell you that. There is no question about the going out that it is a great advantage to have a departure by Queenstown, because the Southampton line is so very uncertain.

1222. It has been stated here that, owing to telegraphic communication, it is not so necessary now to have speed in the transmission of mails; do you agree in that opinion?—No; the telegraph is a very short and uncertain communication, and almost every telegraph message ends "we write," and it is exceedingly important as soon as you can to confirm any telegraph message.

1223. In the event of the House of Commons refusing to ratify the arrangement made with Messrs. Cunard and Mr. Inman, what, in your opinion, would be the effect upon the commercial correspondence of the country?—I think very serious; in summer, I dare say, it would do very well, when the steamers were running full of passengers, and there was fine weather; but the moment the month of December arrived, I am afraid that Messrs. Cunard and Mr. Inman would lay up their steamers and not run them at all; we should have only summer business. I am under the impression that none of the steamers pay at all for running in winter; they may have 20 or 30 passengers perhaps; I am under the impression that they would lay up their steamers in the winter.

1224. Are you of opinion that we could not calculate upon a regular service throughout the winter?—I think not.

1225. Mr. *Seely*.] You do not think it is desirable that there should be a mail service from Southampton to New York?—We do not use it at all, or very little.

1226. Am I to infer that you do not think it desirable?—A merchant does not like to say it is not desirable to have as many steamers run as possible; sometimes it does happen that we want to ask a question on a day when the Southampton steamer sails, and we may get 24 hours gain by it; but it is an exception to the rule.

1227. Are you aware that a number of bankers, merchants, traders, and others, in the City of London, petitioned the Duke of Montrose, when he was Postmaster General, to put on a weekly service from Southampton to New York?—No, I was not aware of that.

1228. Will you look over that list of names, and see whether they are highly respectable (*handing a paper to the Witness*)?—As far as I know, they are very respectable indeed; some of them are local bankers, who would not have much interest in the mails, and they must have signed to oblige constituents, I should think.

1229. What is the first name?—Baron Rothschild.

1230. Has he any influence?—I should say a good deal; I see amongst them a great many large warehousemen; I do not know that they have any particular interest in the mails from America; they might have from Germany to Southampton; however, it is a respectable list; I do not see my firm upon it.

1231. It is your opinion that if Messrs. Cunard and Mr. Inman had no subsidy, we should have no boats running to the United States regularly in the winter months?—I think so, clearly.

1232. Are there no boats running regularly to New York, from this country, in the winter months, except those that are subsidised?—I should think not.

1233. If you found that there were lines of steamers running regularly to New York weekly, through the winter as well as the summer, would that alter your opinion?—That would show that my opinion was wrong; my opinion is based on the knowledge that it cannot pay: for instance, take a large steamer like the "Scotia," running in January, the number of passengers she would carry

carry would be so small that she would not pay; therefore, upon mercantile principles, I should suppose that they would lay her up.

1234. Your opinion is briefly this: that unless the English Government pay a fixed and tolerably large subsidy to some line of steamers, there would be no regular communication between this country and the United States in the winter months?—That is my opinion.

1235. Are you aware what the practice of the United States is with reference to the conveyance of mails from America to this country?—They have the benefit of all our service; they have the Cunard and the Inman line; they once established a Collins line.

1236. *Chairman.*] Do you of your own knowledge know how the American Government deal with the Post Office contracts?—They have no Atlantic contractors, I think; I take it that the postal arrangements between the two companies are made between the two Governments.

1237. Mr. *Seely.*] Do you think that these subsidies have a tendency to prevent the rate of postage being reduced to the United States?—On the contrary, if the vessels are subsidised they can afford to take less postage.

1238. As I understand, you suppose that there would be no objection to reducing the rate of postage even though we pay 105,000 *l.* to Messrs. Cunard and Mr. Inman for taking the mails to the United States?—I do not know how the present postage pays the Government; of course they might pay the 105,000 *l.* and carry the letters free if they liked, but I suppose their object is to pay the 105,000 *l.* back again by postage, and if you only paid half the amount you would only have to charge half the postage.

1239. Supposing we could get the mails carried for less money to America we might be able to reduce the rate of postage to America without any loss to the Exchequer?—Yes, apparently.

1240. Do you attach any importance to reducing the rate of postage?—No, I do not; I have never heard any complaint; it has been reduced lately.

1241. You think 6 *d.* quite low enough?—I think so, I think people are satisfied to pay 6 *d.* with the present regularity rather than 3 *d.* and have less regularity than we have now; the great point with the merchant is to be sure that his letters will go at a certain time, and that they will arrive at a certain time; that certainly we have now.

1242. It so happens that there are in this country other people besides merchants?—Yes.

1243. And there are poor men as well as rich men?—Yes.

1244. Do you not think poor men have an interest in getting the rate of postage reduced?—A poor man would not be likely to receive many letters, so that his interest would be comparatively small; the great interest in the mail service is the mercantile interest.

1245. Do you think that no other interest but the mercantile interest ought to be considered with reference to the transmission of letters to the United States?—I should think that was the leading interest to be considered, unless there is a Government interest.

1246. Mr. *Hamilton.*] I understood you to say that you, as a merchant, attached the greatest importance to punctuality in the transmission of letters to and from the United States?—Yes.

1247. But you did not express any opinion as to the mode by which that punctuality can be secured?—It is secured by the present mode, whatever it is; there is extreme punctuality at present; as I was saying just now, I can arrange all my movements and engagements according to the time when the mails will arrive; for instance, if we do not get our letters on Saturday, I am so sure we shall get them on Monday, that I should not make an engagement for Monday morning; that regularity and punctuality are important things.

1248. We are all agreed upon the importance of punctuality; the question is whether a contract of this kind, which is based upon a fixed annual payment, is necessary to insure that punctuality?—We can only speak by present experience.

1249. You mean you have no experience of any other system?—Yes.

1250. Do not you think the time has arrived when we might adopt another system of free and open service, by which we might ensure the same punctuality across the Atlantic?—Not in the winter; in the winter, I think, we should have very few steamers; they would only go when they could get valuable freight, or a number of passengers.

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1251. Do you suppose, if the subsidy were not sanctioned, that any of those steamers now plying across the Atlantic would go into some other service?—I should think they would, beyond all question.

1252. Are you aware that a great many ships of equal quality, the best of the Cunard line, have plied across the Atlantic many years without any subsidy?—Perhaps in hopes of getting one; take the case of a ship like the "Scotia," which is a paddle-wheel, or the case of the "Russia," which is a screw; neither of those vessels, I am confident, does more than just pay its way, even with the Government subsidy; I speak of those two, because they are rather larger than the others.

1253. Is it your opinion that, if the inducement of this fixed subsidy did not exist, those first-class steamers would be taken off the line?—I think so.

1254. Is there any other equally remunerative service that they could be employed in?—That I do not know; as they would not pay in this service, they had better take them off and lay them up entirely; I suppose they would be so; they might go to Australia; at any rate they would lose money in the winter every voyage they made.

1255. Is it your opinion that there would be any interruption of serious consequences to commercial correspondence if this subsidy were withdrawn?—Yes, I should think, in the first place, there would be an end to regularity; there being no obligation on the part of the steamers to leave at certain times, and to deliver their letters at certain periods; a very serious interruption to correspondence would be created.

1256. Is not their own interest a sufficient inducement to them to keep time as to the hours of departure?—It is not like having a Government contract which compels them under pain of forfeiture to depart at a given time.

1257. Is not it within your knowledge that other vessels, not under Government contract, keep their time punctually as to the hours of departure?—No, it is not; we are in the habit of relying almost entirely upon the Cunard and Inman lines as being those that are sure to keep time.

1258. Do you think that there is any real ground for apprehending that there would be any interruption to the service; do you not entertain that impression because for a great number of years you have been in the habit of relying upon this subsidy?—Yes; probably the past experience of the great convenience of it is the cause of arriving at that conclusion.

1259. Sir *Massey Lopes.*] You say your firm have very large transactions with the United States; are your firm and other leading merchants, as far as you are able to gather their opinions, satisfied with the way in which Messrs. Cunard have fulfilled their contract?—Quite so.

1260. We have heard something with regard to Messrs. Cunard's slow boats, as they are called, I mean the Tuesday boats; have you been dissatisfied with the way in which those boats perform their service?—No, we do not rely so much upon them for letters as upon the others.

1261. You have not heard, and you yourself have not expressed any dissatisfaction at the way in which they have performed their service?—On the contrary, so far as I know from passengers who have lately gone in them, they seem to be extremely well-satisfied; they say the number of passengers is increasing very much by them.

1262. Are you of opinion that, in any arrangement made by the Post Office, it should be imperative that all the mail steamers leaving this country should touch at Queenstown?—Yes, it is very important that they should touch at Queenstown.

1263. You said just now that, if there were no subsidy arrangement with Messrs. Cunard and Mr. Inman, you would be fearful that there would not be the same regularity in the boats leaving this country in the winter?—Yes.

1264. You are not afraid that there would be no boats, but you fear that there would not be the same regularity?—Yes; because the departure of the boats would depend upon when there was enough freight and passengers.

1265. You look upon regularity as an important point in commercial matters?—Yes.

1266. *Chairman.*] Are you aware that the Inman boats were under no contract whatever with the British Government till 1868?—No, I was not.

1267. Have

1267. Have you ever had any reason to complain of the delivery of the homeward mails from America by any line?—No.

1268. Are you aware that the American Government does not subsidise any line of packets?—I am not aware that they subsidise any line.

1269. Are you aware also that Mr. Inman ran his steamers regularly through the winter at the time they were not subsidised, and when he had no contract with the British Government?—I could not speak positively to the point; but I am under the impression that he did.

1270. And he provided a fleet equal to that of Messrs. Cunard at the time he received no subsidy, and had no postal contract with the British Government?—I am not sufficiently conversant with the Inman line to say that it was a fleet of steamers equal to the Cunard line, but they were good steamers and they ran as regularly as the others.

1271. Mr. *Hamilton.*] You said that three weekly services were as much as could be required?—Yes, I should think so.

1272. Did you mean that it was a little more than was required?—No; some more energetic and zealous merchants than I am would like to write every day; but I find three times a week often enough.

1273. I gathered from the way in which you made the observation that you thought two would do?—No, I should be wrong in saying that, because it often happens that we have very important letters to write, and we should be very glad to find that there was a third line; I do not suppose that we should be put to any very serious inconvenience if there were only two; I may, perhaps, be a little selfish in that, because I should not have so much work to do.

1274. Mr. *Seely.*] You are aware that Messrs. Cunard have certain boats which are called "fast boats," and certain boats called "slow boats"?—Yes.

1275. How much longer do the Tuesday boats take in performing the voyage?—They take a day longer.

1276. Sometimes two?—Yes.

1277. Sometimes three?—No.

1278. Have they never been three days longer?—I know they have been; sometimes they have been 16 days, but I know instances in which the regular boats have been 16 days during this winter.

1279. If it should happen to be the fact that the Cunard boats leaving on Tuesday have been overtaken almost invariably during this year by boats leaving on two and even three days later, would that alter your opinion with regard to the satisfactory way in which they perform the service?—I should call it a defective service if they were three days later, or if they were overtaken by the Inman boats sailing next day from Liverpool. I do not suppose that Messrs. Cunard profess that those steamers of theirs would go as fast as those of Mr. Inman.

1280. You would not consider, if that were the fact, that the Tuesday service would by of any value to the mercantile world?—Not if the Tuesday boats were constantly overtaken by the others.

1281. Sir *Massey Lopes.*] Supposing this existing arrangement was abruptly terminated, what do you suppose would be the effect of it in the commercial world, judging from your own experience?—A serious interruption to the present regularity; a serious disturbance of all our arrangements under which we look for letters on Saturday morning or Monday morning without fail now; in the summer on Saturday, and in the winter on Monday.

1282. Mr. *Hamilton.*] You mean a serious interruption to the commercial world if the Postmaster General was not able immediately to make some eligible arrangement?—Yes, till he did make one.

1283, You do not express any opinion as to the possibility of his making an arrangement?—Of course, there can be no impossibility of his making an arrangement.

1284. Instead of possibility, I would say probability: do you or not think he would be probably able to make as desirable an arrangement as at present, an arrangement that would equally well meet the requirements of the commercial public?—It is a matter of opinion; this fleet is already afloat, a very powerful fleet, and they do the business with great regularity; but whether the Postmaster General would find another fleet of steamers that would do it as well is a mere matter of opinion; I do not know where he would look for such steamers

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as are now doing the service; the Peninsular and Oriental Company are the only Company who have such steamers afloat.

1285. You expressed a very decided opinion in favour of calling at Queenstown; it has been told us by various witnesses that, so far as London is concerned, where your house of business is, the London public have a clear gain of 12 hours by vessels departing from Southampton?—That is the difference, I presume, between London and Southampton and London and Queenstown; but then, the line not beginning at Southampton, we are never sure that our letters will be taken promptly from there; for example, if we write to-night for the vessel leaving Queenstown, we know that our letters will go from Queenstown to-morrow; but if we write next Tuesday, expecting that our letters will go from Southampton on Wednesday, the steamer may not arrive till Thursday or Friday.

1286. I am assuming two contract lines, one starting from Southampton and one from Queenstown; as a London merchant are there any peculiar advantages to you in the steamer starting from Queenstown as compared with Southampton?—It would depend upon the comparative quickness of the passage from Southampton to New York and the passage from Queenstown to New York. In going from Queenstown to New York they might gain enough to make up the difference between going from London to Queenstown and going from London to Southampton.

1287. Have you not had any means of comparing the two routes?—No; we have used the Southampton line so little.

1288. You have had no opportunities of comparing the two routes under equal conditions?—No.

Francis Alexander Hamilton, Esq.; Examined.

F. A. Hamilton, Esq.

1289. Mr. *Graves.*] ARE you a partner in the firm of Messrs. Brown, Shipley and Company?—Yes.

1290. Have you a house in Liverpool as well as in London?—I have.

1291. Do you know the nature of the contracts now under discussion with Messrs. Cunard and Mr. Inman?—I understand them from the statements I have seen in the papers and elsewhere.

1292. Do you consider that the arrangements made with those companies for a tri-weekly service afford all reasonable facilities which are required by the commercial public for communication between the two countries?—I do, with this qualification, that of course in the commercial world the more communication you have, the better; if you have four days it is better than three, but I think three days are generally sufficient for the purpose.

1293. Have you formed any opinion with regard to the relative advantages of Queenstown and Southampton for the landing and embarking of the mails for the country generally?—Decidedly, Queenstown is better for the country generally, for London perhaps Southampton might answer nearly as well.

1294. Are you in the habit of using the Southampton line to any great extent for your correspondence?—Yes, we write by the Southampton boat.

1295. Can you give the Committee any idea of the relative times that the mail takes by Queenstown and by Southampton?—Hearing that I was going to be examined, I got a clerk to make out the time elapsing between the posting of letters in New York, and their arrival in London, by four boats. In that calculation Sundays are included which make the number of days in the case of the Cunard boats more than they otherwise would be. The time taken in the 26 passages was as follows: by the Cunard line $11\frac{1}{4}$ days, by the Inman time $11\frac{1}{2}$ days; by the North German Lloyds, which are the fastest of the other lines, $11\frac{3}{4}$ days; and the other vessels about 12 days; that would be of course to London. To Liverpool, of course it would be more in favour of the Inman and Cunard vessels, and besides that, the Cunard Company have the disadvantage of the Sunday; if the Sunday had not intervened, on which day there is no delivery, we should probably have received the letters a day earlier; I have taken the days on which we actually received them.

1296. You have received your letters by the Cunard and Inman lines *viâ* Queenstown, in a shorter time than by Southampton, even for London?—Yes.

1297. Mr.

1297. Mr. *Hamilton.*] During what period?—I take 26 voyages in the last six months, from June to December.

1298. Mr. *Graves.*] You have had considerable experience with regard to steam lines in the Atlantic?—Yes; I had the management of Collins' line, we acted as agents for the Collins' line, when they ran.

1299. Do you consider 105,000 *l.* per annum for the outward mails for the three services an excessive sum?—No, I do not, provided you can get the punctuality and regularity, which you have had during the last 20 years.

1300. Would you consider it a reasonable sum?—I should say it was a very reasonable sum; I am quite satisfied that a great many of the large boats that run in the winter do not pay; I have seen some of those fine Collins' boats going with only 12 to 16 passengers; what they would get for them would not pay for the coals.

1301. I believe you are more or less acquainted with the character of the various ships engaged in the Atlantic trade?—Yes, I am.

1302. Do you consider that the mail service can be as efficiently performed by any other company or companies as by Messrs. Cunard and Mr. Inman?—I do not know of any other companies that have the power to do it; I do not know of any companies having a sufficient number of vessels to do it; I am speaking of existing vessels; of course you cannot tell what a combination of parties might do; but I do not think any other two companies could run vessels three days a week.

1303. What would be the effect of any sudden termination of the present mail arrangement?—It is difficult to say, but I should think it would throw the mails into a great deal of confusion.

1304. Have you formed any opinion with regard to the present rates of postage; do you consider that they are excessive?—I do not consider them at all excessive for the service performed. If we could get equal service for less money we should prefer it; but there is no hardship upon the writers of letters, as a rule.

1305. Would you prefer the present rate of postage for letters carried with speed and regularity, to a lower price with the risk of not leaving the same speed and regularity?—Decidedly.

1306. Is there any other point upon which you would desire to express any opinion to the Committee?—The only thing that struck me as illustrating it a little is this: that during the old days when first I was connected with the United States in business we used to have packet-ships; of course there was great excitement for everybody to get their letters, and those packets ran with great precision, running across in from 15 to 20 days. The moment the steamers started, such quick passages became quite the exception, whereas they were very common before, showing that where they had not the advantage of carrying the mails the speed diminished, and there was a want of energy and activity.

1307. Mr. *Seely.*] You are a merchant?—Yes.

1307* And in your own transactions I apprehend you get your articles as low as you can?—Yes, provided they are good.

1308. Supposing that you could get lines of steamers which you were satisfied would perform the voyage with the same regularity and speed as Messrs. Cunard's and Mr. Inman's do, and at half the price, would you give 105,000 *l.* a year instead of 80,000 *l.*?—I am a free trader, and I should get the service done at half the price, if it were done as efficiently.

1309. Do you know how many vessels are required to make a weekly service to the United States?—I question whether you could do it with five; you might do it with six.

1310. Do you know anything about the speed of the Hamburg boats?—They have averaged in their passages about 12 days.

1311. Supposing you were satisfied that the Hamburg boats would perform the service to the United States once a week as fast, or faster, than Mr. Inman's or Messrs. Cunards' slow cargo boats, would you pay Messrs. Cunard or Mr. Inman for their slow cargo boats, considerably more than you would pay the Hamburg Company?—Not if I could be satisfied that it would be done with the same regularity; but I doubt whether that could be done.

1312. Mr. *Hamilton.*] You said that large boats did not pay?—Not in the winter time; not the large fast boats.

1313. How do you account for the fact that Mr. Inman has been able to

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work a large fleet of first class vessels between this country and America without subsidy at all?—He has had the advantage of nine summer months.

1314. The profits of the nine summer months have more than covered the losses upon the three winter ones?—I should suppose so.

1315. Is it the fact that Mr. Inman, in the face of the subsidised fleet of Messrs. Cunard, got together a very large fleet almost of equal quality to the best of Messrs. Cunard?—He has a very fine class of vessels; he has got together as fine a class of vessels as you will see; but they have not been so punctual as the Cunard vessels, nor so free from accidents.

1316. Do you think this practice of paying a subsidy is in favour of, or against, the increase in the number of fine fleets?—If there had not been a subsidy we should not have seen a great many of the lines which are in existence, because the subsidy enabled Messrs. Cunard to show an example and to give a stimulus to the owners of other boats to keep up with them.

1317. Do not you think the time has arrived when we could dispense with that encouragement now?—I question whether it has; I doubt very much, whether, if you take away the subsidy, you will have boats going summer and winter in all weathers with the same punctuality that they do with a subsidy.

1318. Do not you think that the time has arrived when we might dispense with these subsidies as a means of encouraging the building of first class vessels?—I do not think there is in the country, at the present moment, a sufficient force of steam boats to perform the work.

1319. This contract has been entered into for a period of eight years; do you think, at the end of that period of eight years, the number of first class vessels will be greater, or less, in consequence of this subsidy to Messrs. Cunard and Mr. Inman?—That is a very difficult question to answer, to foretell what, in eight years, may be the course the trade may take; I am speaking of the present time, within the next two years, at any rate, I do not think there would be a sufficient number of vessels to carry the mails with the regularity and punctuality with which they are now carried by Messrs. Cunard and Mr. Inman.

1320. You are not prepared to say that, in the course of eight years, competition would not do all that was required for the country?—It is impossible for any man to know what the increase of trade may be in that time.

1321. Sir *Massey Lopes*.] Do you consider it absolutely necessary that all mail vessels leaving this country should touch at Queenstown?—I do not say absolutely necessary, it is very desirable, and as far as the London trade goes, I think it is absolutely necessary to enable us to compete with the northern parts of the country.

1322. I understood you to say that the Cunard vessels have made the shortest passage of any others, and next to them Mr. Inman's?—That is in the last six months, that is the delivery of mails; I am not speaking of passages.

1323. Have you had any reason to complain of those boats of Messrs. Cunard, which have been called the slow boats?—No, we have not.

1324. You also mentioned just now that, in your opinion, none of those boats pay in the winter?—Not the large vessels which consume so much coal.

1325. In your opinion it would not pay to run those vessels unless they had the benefit of carrying the mails?—No, I think not.

1326. I also understood you to say that, in your opinion, there are no two other companies now existing that would be able to perform the same contract and carry out the same arrangements as Messrs. Cunard do at present?—Yes, I am very strongly of that opinion.

1327. *Chairman*.] You are, no doubt, well acquainted with the system on which the American Post Office contract with steam lines?—At present I believe they pay them for the letters; formerly they used to have heavy contracts.

1328. That system has been given up some time, and they pay them for the letters?—Yes.

1329. Do you know at what rate they pay them?—I am not prepared to say; I may say we have had great complaints about the American Post Office; when we have had letters directed to come to us by one particular mail, instead of sending them by that mail, they have sent them by the mails which they rather favoured.

1330. Have you received any American letters by the Cunard cargo boats?—Yes.

1331. Is

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1331. Is there any complaint of the regularity or want of punctuality in the delivery of homeward mails from America?—Not with regard to Messrs. Cunard and Mr. Inman's boats, but other letters are coming in at all times; there is less regularity about them.

1332. You are probably aware that, at the present time, the English Government are responsible for the outward mails, and the American Government are responsible for the homeward mails, each Government making its own bargain independently of the other; have those engaged in the American trade any complaint to make of the mails that they receive from America?—No.

1333. Do you think it possible that any great line of steamers, whether they carried mails, or not, could lay up their steamers altogether in the winter, and not run them?—Certain steamers; I think they might

1334. You think they might run perhaps once a fortnight instead of once a week?—Yes.

1335. Has the Inman line done so?—Messrs. Cunard took off some of the large Boston boats.

1336. Has the Inman line done so?—I think they have.

J. S. Morgan, Esq., Examined.

J. S. Morgan, Esq.

1337. Mr. *Graves.*] You were the partner of Mr. Peabody?—Yes.

1338. You have heard the evidence given by Mr. Sturgis and Mr. Hamilton; do you generally agree with it?—Yes.

1339. Is there any point upon which you take exception to their evidence?—No, I do not know that there is; I think they have not pressed so fully, as I would have done, the importance of the landing of the mails at Queenstown on the homeward voyage as well as the outward voyage.

1340. You think it is equally important that they should be disembarked at Queenstown as that they should be embarked there?—Yes; Mr. Inman did not do that till within the last year or two.

1341. Will you give your reasons for that opinion?—If the steamer arrives at Queenstown before ten in the morning of Friday we get the mails on the next morning in London, whereas, if the steamer took those mails to Liverpool, we should not get them till Monday morning.

1342. From your knowledge of the American trade, do you consider an efficient service could be established which did not embrace the Cunard and Inman lines?—I do not suppose the service depends entirely upon the Cunard or Inman lines; but that the service they perform is a most efficient one no one can doubt; it is most punctual and efficient.

1343. Do you use the Tuesday vessels of the Cunard line?—Very little.

1343*. Is that in consequence of any complaint you have to make of their service, or have heard made?—No, we are in the habit of using the Wednesday steamer, and the Saturday steamer; our correspondence is mostly by the Cunard and Inman main line.

1344. Do you consider the Saturday from Liverpool, or the Sunday from Queenstown, a day so fixed in the transmission of the mails, that it would be very unwise to make any alteration in it?—It is a very great convenience to have Saturday in which to answer our letters, which very often arrive here on Saturday morning, and it would be a great inconvenience if we had not that mail.

1345. Do you carry that so far as to consider the Sunday from Queenstown as the best day in the week to suit the homeward arrangements?—Yes.

1346. Mr. *Seely.*] Did you sign the memorial to the Post Office the other week for a service from Southampton?—Yes, I think so.

1347. You rarely use the mail packet service of Messrs. Cunard on the Tuesday?—Seldom; we should do so if we had occasion to write on that day; I daresay we send some; but we do not depend upon it so much.

1348. Would you send by the Tuesday boat if, as a rule, such boats were always overtaken by Mr. Inman's boats of the following day?—Our principal mails are on Wednesday and Saturday.

1349. If Mr. Inman's boats, leaving on the Wednesday, got to New York earlier

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earlier than Messrs. Cunard's boats which left on the Tuesday, by which boat should you write?—By the Wednesday's boat; we should write by the boat that would take our letters soonest.

1350. Mr. *Hamilton.*] In giving your opinion about the importance of touching at Queenstown on the homeward service, you were only comparing Queenstown with Liverpool?—I was only comparing Queenstown with Liverpool, taking the time when those mails would reach London.

1351. If you compare Queenstown with Southampton, is there any great advantage to London merchants in having the mail landed at Queenstown instead of Southampton, the two services being equally good?—I do not know the time occupied between Queenstown and Southampton; it would depend upon that.

1352. You have now, under the contracts which we are considering, three services every week, two by Messrs. Cunard, and one by Mr. Inman, do you think that the loss of what we call the slow service, the service by the slow boats, would be any serious inconvenience to the London public?—I could not answer that question.

1353. Did you not say that you rarely wrote by it?—We adopt the plan of having our principal mails on Wednesday and Saturday; what others do I cannot say.

1354. You have no knowledge whether your practice does or does not correspond with that of other merchants?—No.

1355. Are you influenced in your adoption of that practice by the fact that the Wednesday service is a more rapid service than the Tuesday one?—No; it is because we have got into the habit of making Wednesday and Saturday the mail days.

1356. Sir *Massey Lopes.*] You say you do not depend so much upon the Tuesday's boats; is that for the reason that you did not consider those boats so rapid as Messrs. Cunard's other boats or Mr. Inman's, or is it simply because your arrangements are not so convenient for sending your letters by the Tuesday's boats?—Simply because our arrangements have always been to make the other days our packet days, and we adhere to it.

1357. It is not on account of the Cunard boats not being so good?—No.

1358. Mr. *Graves.*] Does your house use the telegraph to any considerable extent?—Yes.

1359. Do you think that that in any measure obviates the necessity for the rapid transmission of letters?—Not the least; if we get by telegraph any item of particular importance the details must always come by post.

John Burns, Esq., Examined.

J. Burns, Esq.

Witness.] I SHOULD like to make a statement before any questions are asked of me to-day; it was neither my intention nor Mr. Inman's to have appeared before this Committee at all; we wished to rest our case upon the correspondence placed before the House of Commons; but we have come here to-day, out of respect to the Committee, to afford them any information that we possibly can as regards our own case; it shall be as brief as possible.

1360. Mr. *Graves.*] Do you represent the Cunard Company?—I do; Sir Edward Cunard, Mr. William Cunard, Messrs. MacIver, my brother, and myself, are the sole partners of what is called the Cunard Company.

1361. Will you give the Committee the number of steamers of all classes which your firm owns?—We have 40 steamers of all classes, of an average tonnage of 60,000 tons, for the manning of which and conducting the shore service in connection with these vessels, we have a staff of about 5,000 men.

1362. Will you shortly explain to the Committee the history of your negotiations with the Post Office since 1867?—In 1867 we received a letter from Mr. Frederick Hill, to which reference is made in my letter of the 9th of February 1869, which is to be found in the correspondence, stating to us that the contract system was finally to come to an end at the end of that year. We had considerable difficulty to know how to act. We did not wish the Government, with whom we had been in connection for a quarter of a century, to think

think that we were acting unseemly in not replying to the tenders which were afterwards put out, but at the same time we did not know very well what to say, because we had resolutely made up our minds that we could not afford to tender upon the forms of tender which were issued at the fall of that year; and therefore we came to the conclusion that it was more respectful to make no reply whatever, but to let the matter entirely drop, which we did. We made no reply, considering that the contract system would come to an end that year. We acted on the assumption that at the end of that time our postal service was at an end, and all our obligations; and it was not our intention to renew any overtures to the Government on the question of postal contracts.

1363. You appear now to be in alliance with Mr. Inman; will you state how that has arisen?—Before answering that question, perhaps I may be allowed to state what took place to change the position in which we stood with the Government from 1867 until the alliance with Mr. Inman took place; in 1867, we having made no reply, communications were made to us, at least indications were thrown out that it was deemed extraordinary that no reply was made by us to the Post Office, that no form of tender was made; and we were asked our reasons for not doing so. I went to the Post Office, and for the first time I came into communication with Mr. Scudamore, who asked our reasons for not tendering upon the forms of tender that were issued; I told him that which I have consistently maintained ever since, that we could not see our way to make any offer upon those tenders with the slightest prospect of making any money, there being on the contrary in our view a certain prospect of making a loss, and that we declined respectfully to tender upon those terms; it resulted in a lengthened negotiation between myself and the Government represented by the Post Office and the Treasury, and which ultimately ended by my making an offer on the part of the Cunard Company for a service for a certain number of years; but the Treasury did not see their way to accepting that offer, and at the end of the year, during the sitting of Parliament on the Abyssinian question, I was suddenly asked one afternoon if I was willing, as the Government were not prepared to adopt the principle of a lengthened service, to tide over the difficulty by accepting the sum of 80,000*l.* for the outward and homeward mails for one year; so suddenly did the offer come upon me that I was utterly unable to consult my partner, Mr. William Cunard, who happened to be in London that afternoon; I had to give my decision before the House met at four o'clock, and I took upon myself the responsibility, and stated that, though the proposal of the Government had come upon me very suddenly, I was quite willing to meet their views, and I there and then accepted the offer of 80,000 *l.* for one year.

1364. *Chairman.*] What Member of the Government made that offer? The offer was communicated to me by Mr. Tilley and Mr. Scudamore, on behalf of the Treasury.

1365. I understood it was a personal communication from Mr. Ward Hunt?—I saw Mr. Ward Hunt during the negotiation, but the offer was communicated to me by Mr. Scudamore and Mr. Tilley, on behalf of the Treasury.

1366. Mr. *Graves.*] When was this offer made?—I cannot remember the exact day.

1367. Mr. *Greaves.*] Was that for a Sunday service from Queenstown?—Yes, out and home.

1368. *Chairman.*] You say you made no reply to the tender for the contracts; you mean you absolutely made no communication whatever?—None whatever; this was a negotiation extending over perhaps two months or three months, but the negotiation eventuated in this temporary contract for one year; and, in passing, I may say I received the thanks of the Government for going into this temporary arrangement, all my arrangements having been made for an extended service; but I saw the reasonableness of what they had asked me to do, and I accepted their terms at once, though it was an open question whether I was doing that which was right to my partners; you have asked me how the alliance with Mr. Inman came about; it came about shortly in this way: at the end of 1868, passing over a great deal that took place before that period, my partners met with me in the country to consider what our course should be when tenders were again issued by the Post Office; we had made up our minds that if those tenders were issued upon the same principle as the tenders of 1867, we could not,

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and would not, make any reply to them in any way. We knew we laid ourselves open to the imputation that we were perhaps doing what might be supposed to be putting the Government in a corner, but such was not our intention; we felt, as honest men, we could not afford to do the service upon such principles, and therefore decided that we would not offer at all. It was suggested by Sir Edward Cunard that we should meet Mr. Inman, with whom we had been in competition for the last 20 years, and it was arranged by Sir Edward Cunard and Mr. MacIver that I should meet Mr. Inman, state the position of affairs and hear what he had to say. Mr. Inman's willingness to meet me, and my willingness on the part of my partners to meet him, was brought about very much by one circumstance, and that was by our trade being eaten in upon by foreign competition; foreign competitors had come in, being under no British rules, and had so eaten in upon our service that we were obliged, for our common preservation, to make common cause; I then met Mr. Inman, and shortly stated our position as regarded matters generally, and told him our position as regarded our contract with the Government. We found that from different points of view, I representing the old contract system, and he representing a different system, we had arrived at the same conclusion. I said to him, "You see the necessity which we are under; if we are to continue carrying on the trade on the Atlantic with such ships as yours and our own, we must have a fixed payment, and you must in fact capitalize your ocean posage, so as to give yourself a certainty." Mr. Inman agreed to those views. I said to him, "Mr. Inman, I have been in negotiation a great deal with the Government, and it will not suit my character to come into a coalition with you in a corner, and then both of us go to the Government and say, 'We dictate to you terms;' therefore," I said, "I propose that we should communicate jointly to the Government, and if you are willing to make a joint proposal upon the lowest terms you can, I am willing to go with you, so as to give the public the advantage of a tri-weekly service, which we must do so as to insure what is wanted for the public convenience for the lowest possible terms we can take for those services." Mr. Inman and I went into a calculation of what would be the lowest terms we could take for those services, and we made a joint offer of 150,000 *l.* a year, and I confess, if it had been left to me entirely, I certainly should have named a higher sum considering the work we had to perform, but I willingly agreed that that was the sum which we should strike, and that we should stand at that; that sum was maintained, and the history of its being broken down is told in the correspondence before the House; when I received a direct offer from the Government, I met my partners, and I said to them, "This payment will not pay us for the work expected from us, and I do urge upon you respectfully to decline it, and give it up entirely." My partners said to me, "We have held the contract for 30 years, and it is quite evident that the Government cannot and will not offer you more; therefore, before you decline the terms, go to London and see the Post Office authorities; state your case, and then you will know whether there is any possibility of inducing the Government to give more." I went to London, and laid our case before the Post Office, and I said, I considered the service to be performed was of such a nature, and the price to be paid for it was so low, that if my partners had taken my advice we should have nothing at all to do with it, though, at the same time, there was some advantage in getting a fixed sum for the service; but I confess, before this Committee, there was a greater advantage than the money in that contract, which was, that I was enabled by this negotiation to cement a commercial friendship with Mr. Inman, which I consider of more value to him and to us; and, therefore, when I saw that the Government could not give us more, I accepted their offer, within a few days of the offer being made.

1369. Mr *Graves.*] Would you have agreed to the offer made by the Government if you had had any idea that your bargain with the Government was to be re-considered?—Most certainly not; I made the bargain with the full knowledge that the contract, as signed by me and Mr. Inman, must lie on the Table of the House for a month; but I certainly believed that that reservation of Sir Stafford Northcote, with which I was well acquainted, was never meant to apply to a hard bargain made between an honest contractor and the Government, unless in any way it could be proved that there was under it some chicanery, or some political job, either on the part of the Government or on the part of the contractor; and, therefore, when we began to see questions raised in the House upon the contract, I wrote in the strongest way to my partners, and said I was just as certain

certain that the contract would be carried through, as I was certain that I signed it, because, though there was the requirement that the contract should be laid upon the Table of the House for a month, that was not a thing to consider further than as giving an opportunity of discovering whether there was any job in the matter, and as we had entered into the contract with clean and pure hands, we need have no fear on the subject.

1370. Were you confirmed in that view by the fact, that when the House met in December, your contracts were not placed upon the Table?—Most certainly.

1371. If your contract should not be ratified, what effect would it have upon the class of vessels which you would employ upon the Atlantic for your own commercial purposes?—It would cause a total revolution in the class of vessels which we should employ upon the Atlantic. About a month ago this contract, in my mind, being a thing almost settled, I received offers from eminent builders to construct ships to carry out the Saturday and Tuesday service as our service always has been carried out. Our contract provides, that any new vessels that we shall build shall not be less than 2,000 tons, and that they shall go at a measured mile with 800 tons weight at not less than 12 knots; in my letters to the builders, I told them that they must state what those ships could run with 1,000 tons of dead weight, being 200 tons beyond the requirement; the offers I received, which were from the first builders in the country, vary; one says the specification I had given would result in $13\frac{1}{4}$, another $13\frac{1}{4}$, and another 14 knots, with 1,000 tons on board. Our contract being that those vessels should be of 2,000 tons, the vessels we intend to build are upwards of 3,000 tons; and that is only carrying out what our policy has been since we became contractors. Even under our first contract we never built a ship simply to meet its requirements; but we exceeded the contract in everything.

1372. If the contract is ratified, you propose to build those vessels of a superior class?—We do.

1373. If the contract is not ratified, will you build those vessels?—Most certainly not; we shall build vessels, but not of that class.

1374. Do you mean you will build vessels of lower speed?—Of lower speed, and of larger capacity for carrying emigrant passengers, and with larger capacity for cargo; vessels which may take one or two days longer on the passage.

1375. And cost less money?—Yes.

1376. The "Scotia" and the "Russia" have been referred to frequently in the course of this inquiry; will you give the Committee some idea of the cost of those vessels, and when they were built?—The "Scotia" cost about 170,000 *l.*; the "Russia" cost about 130,000 *l.* As soon as we got Mr. Frederic Hill's letter of 1867, it was our most earnest desire to get quit of the "Russia." The Admiralty were then building transports for the Suez service, and we asked them whether they would buy the "Russia" at first cost for the Red Sea service. The Admiralty sent down an officer to examine and report upon her (she was then near completion), and he said the cost of conversion would be more than they were inclined to undertake, as the other vessels were soon to be ready, and declined the offer, which I regretted.

1377. *Chairman.*] What is the date of the building of the "Scotia"?—1862.

1378. And the "Russia"?—1867.

1379. Are those the two last steamers you have built of that class?—The "Java," the "Cuba," and the "China," were all built after the "Scotia."

1380. Mr. *Graves.*] You had another fast vessel, the "Persia;" did you dispose of her?—We did; at the time the contract was waning the "Persia" was about nine or ten years of age; at all events, she was beginning to require new boilers, and we estimated that the cost of refitting her with boilers would be 60,000 *l.* Sir Edward Cunard was very reluctant to let go the "Persia;" but I pointed out to him that that vessel would be ruination in herself if she ran upon the Atlantic without a fixed subsidy; she cost in our books the sum of about 160,000 *l.*, and I prided myself on making a most excellent bargain for my partners when I got 15,000 *l.* for her; we sold her totally and entirely,

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having in view our not being able to run such a vessel at a profit, but at a heavy loss, if we had no contract.

1381. Was there any other trade that she was fit for?—None.

1382. Mr. *Hamilton.*] Was she a screw, or a paddle vessel?—Paddle.

1383. Mr. *Graves.*] The Government have always reserved the power in contracts with your company, to use your vessels as transports, or purchase them; has that clause ever been availed of in any way?—It has been acted on on several occasions, but especially during the Crimean war, our vessels were employed for the transport of troops, and they carried 100,000 men and 8,000 horses, besides women and children; but the most critical service we ever performed was the service we were asked by Lord Palmerston to perform when the "Trent" difficulty arose. When the "Trent" difficulty arose, my late partner, Sir Samuel Cunard, was asked if he could give up to the service of the Government two of our largest ships, to which he at once assented; but the Government asked another thing, and that was, that he should take the Guards and the Rifle Brigade, and land them at Bic, in the St. Lawrence, which had never been navigated by a steamer in the depth of winter. It was not a question of money with us; but we wished to do the thing well, and we entered into a contract with the Government to do it. We were ready in a short space of time to embark the Guards in the "Persia," and we took the Guards out to Bic, and landed them there. The "Australasian" followed with the Rifle Brigade, and made an attempt to proceed up the St. Lawrence and land them as the "Persia" had done the Guards; but the naval officer on board said he would not take the responsibility of going further, and gave orders to our captain to put about and go to Halifax; we landed the Rifle Brigade at Halifax accordingly. The "Persia" succeeded in landing the Guards at Bic, having lost her anchors and boats in doing so.

1384. To what naval officer do you refer?—The naval officer sent out on board the "Australasian" to look after the safety of the troops; the troops were under the command of Lord Alexander Russell.

1385. It has been stated in evidence, before this Committee, that your Tuesday's ships are not so fast as the Saturday vessels; is that the case?—I should wish to make one remark upon that. With all deference and respect to the Committee, I think we have been hardly used in a term being accepted in this room, which has been used by our opponents, out of this room, to serve their own purposes; they have called those vessels cargo ships; they are cargo ships, and the "Scotia" is a cargo ship; but they call them cargo ships, in order to throw discredit upon the Tuesday service; I will shortly explain the nature of the Tuesday service. As regards what are called the cargo ships, the best proof that they are not in any way inferior to other ships, except as regards the degree of speed, is that British merchants, who are better judges than most people of the excellence of ships, pay us the same rates of freight and the same passage money, by what are called the cargo boats, as they do by the "Java," the "Cuba," and those other vessels. The average passages of those so called cargo boats during the last year have been spoken of; during the last year they were not under a postal contract; they sailed weekly simply for trade and passenger requirements, and we neither used extra coal nor manned them with the extra men that are now required to carry out the postal service. The average of the passages of those ships has been taken from the last year's returns, when they were not under postal service at all; the only passages of this year which can be referred to are the passages which have been referred to in this room, which were made at a season of the year the severity of which was extraordinary. At the very time that some of those passages were made, the "Pereire," one of the most powerful boats of the French, had to put back to Havre in consequence of the bad weather; other ships were disabled, and we ourselves suffered loss. And, as regards taking one particular ship and saying that that vessel was overlapped by another, I remember that Lord Elgin, when he was Governor General of Canada, made a boast that he had made the longest passage ever known, in a Cunard steamer; that was 22 days, and that was in one of the finest ships running between this country and America, the length of that passage being due to the severity of the weather; so, in the case of the so called cargo boats, the weather at the time referred to was unusually severe. Now, as regards the

Tuesday

Tuesday service, if the Committee will allow me, I will state how it is that we have been unable to improve that Tuesday service, and why we have not been building any more ships like the "Russia." The reason simply is that, for two years, we have been negotiating with the Post Office, the Government adopting a temporising policy, going on the principle of a contract for one year, and then stopping it, and the whole thing being thrown into such uncertainty that we could not continue to build new ships for the Saturday service, nor incur a liability in improving the ships for the Tuesday service; but the moment when, as I considered, the thing was settled, I took offers for building as fine ships as almost any afloat for the sustentation of the service generally, and for the improvement of the Tuesday service. As regards the so called cargo ships, I think it was very unfair to our company, that that name should be attached to them. I suppose that these cargo ships are better known to the officers of the British army than any ships we have; for after the Crimean war, we built 12 of them, of such capacity that each ship might convey an entire regiment; they have been employed in the Mediterranean, and many officers on relief have gone by those ships; if those ships had been called A and B ships, it would have been much fairer than applying the term "cargo ships," to them.

1386. You contemplate under those contracts, if ratified, that your Tuesday service shall be in all respects precisely the same as your Saturday service, and equally efficiently carried out?—As regards the Tuesday service, it was never intended that it should be a service on the same scale as the Saturday service; it was stated in evidence yesterday, that we labour under a certain disadvantage with the Saturday service, and that the Tuesday service was never contemplated to be a service of such great excellence or such great speed as the Saturday service; but the Tuesday service would be made as good as the Saturday service, every whit, if we were paid for it; it is only a question of burning a greater amount of coals, and manning the vessels with a greater number of men.

1387. When the arrangements are perfected, is the Committee to understand that your Tuesday service will be as efficient as the Saturday's service?—It will be very efficient; but I do not want it to be supposed that we would run such vessels as the "Scotia" or the "Russia," upon the Tuesdays.

1388. You have said that under these contracts, in addition to requiring more coals, you will require more men; will you explain to the Committee what you mean by that?—Under the trade requirements, in carrying emigrants and cargo, there is no occasion to burn so much coal, or to carry every stitch of canvass on every occasion when the wind is favourable. Therefore, under trade requirements, we do not require so many blue jackets or so many stokers.

1389. As I understand you, you get the same rates of freight by the Tuesday's boats as by your other boats?—Yes.

1390. Do you charge a less rate of freight than other companies charge?—No; it has been stated, I believe, in the evidence before this Committee, that owing to our having a subsidy, we are enabled to carry at a less rate of freight than companies who have not a subsidy. The fact of the case is simply this, that we and Mr. Inman get 20*s.* a ton higher freight for our ships than the National Company on the same voyage from Liverpool to New York.

1391. Why did you make such a strong point of objecting to the reduction of two years in the duration of your contract?—On this simple ground, if those contracts are ratified, we feel the necessity of building ships to carry out the service as we have done for 30 years; to build those ships would require a considerable outlay of capital, and we could not, as prudent men, go into that outlay if the contract was of less duration that eight years.

1392. You have spoken of the foreign competition to which you are subject. Could you give the Committee any information regarding the action of the French Government in reference to postal contracts. You are in competition with French lines?—We are in close competition with French lines and German lines. The French line, I believe, from a calculation I have made, get for the Atlantic service about 16*s.* 4*d* a mile, whereas under the present contract our payment and Mr. Inman's would be a matter of 2*s.* or 2*s.* 6*d.* a mile; that

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is one source of competition. The consequence is, that the French are able to underbid us in many ways, and they are eating in upon our traffic; but the companies who are doing it to a greater extent than the French are the German companies.

1393. Do the German companies get any subsidy?—I do not know whether they do or not.

1394. When you say you get 2*s.* or 2*s.* 6*d.*, you mean under the contracts now under discussion?—Yes; that 2*s.* or 2*s.* 6*d.* a mile is assuming a certain amount which we get from the United States Government for the carrying of the mails homeward. I must put it *pari passu* with the French, who get 16*s.* 4*d.* out and home.

1395. You notified to the Post Office that, in the event of your contracts being annulled, you would at once cease to call at Queenstown with your steamers, which sail from Liverpool on Saturday?—Yes; but I must make this explanation, that that notification from the Post Office was not made, directly or indirectly, by myself or Mr. Inman, as a threat to the Government. The Post Office could not have been startled by that notification, because in my letter of the 9th of February I stated what would happen if such an event took place. If the contract had not been ratified in the House that night, the Government could not have legally paid us for the mail that went out on the following Saturday; and I did not know why we should conduct the voyage to America, calling at Queenstown, which is a positive loss to us, and not be paid for it. It was not as a threat that we made that notification to the Post Office.

1396. Mr. *Hamilton.*] Have you received any money from the Government under this contract?—No.

1397. Mr. *Graves.*] Though you have been running since the 1st of January?—Yes.

1398. Evidence has been given to the Committee that the vessels of steamship companies sailing from Liverpool call at Queenstown for their own purposes, apart altogether from receiving mails; is that the case with your Saturday steamers?—No; we call at Queenstown solely for the mails; the calling at Queenstown entails a loss upon us in this respect, that sailing from Liverpool, and calling at Queenstown on Sunday, we get absolutely nothing except the mails; probably, we have taken on board, in the course of the last six months, one or two cabin passengers at a time, who have gone over to Queenstown in order to avoid the Channel voyage; but practically we get nothing whatever, and by the emigration restrictions, no emigrants can be placed on board the ships on Sunday, and we often have to be there eight, or ten, or twelve hours, waiting for the mails.

1399. Under what circumstances did you commence to call at Queenstown?—We commenced to call at Queenstown under the old contract; the Government asked us to call there; we at first declined, it being a loss to us, but we ultimately agreed to do so without any extra payment whatever, though calling at Queenstown entailed upon us an expenditure, in round numbers, of 10,000 *l.* a year.

1400. Though there was nothing binding upon you to call at Queenstown?—Nothing whatever.

1401. Have you ever depended upon the United States Government for any portion of your mail earnings?—We have never depended upon the United States Government until the first of this year.

1402. What are you getting now from there?—We are getting 20 cents per ounce, but the arrangement with the United States Government is from mail to mail, or from week to week.

1403. Have you any permanent arrangement with the United States Post Office?—Certainly not; but before passing the question of Queenstown, and in relation to the letter I addressed to the Post Office, I wish to bring this matter before the Committee; I repudiate any intention on the part of my company, or on the part of Mr. Inman, of putting the Government in any position of difficulty which was not fairly and fully known to them on the 9th of February; but it was an absolute necessity imposed on us, for the reason I stated, that we made nothing by calling at Queenstown, and, therefore, we considered that we had better pass it; but, further, there is, and would be, no advantage in calling at Queenstown on the homeward passage, because the amount we receive

receive from the American mails is so trifling that it would be better for us to pass Queenstown than be bound to call there with the homeward mails, and certainly we should have acted upon that view, giving up calling at Queenstown, both on the outward and the homeward passage, simply as a matter of pounds, shillings, and pence.

1404. You objected to penalties in your contract; will you explain why it is that you object so strongly to placing yourself under penalties?—We never had penalties since we held a contract from Her Majesty's Government, and our reasons for very strongly objecting to penalties is this: The first consideration which has occupied our attention in the conduct of our Atlantic business has been safety; I will go the length of saying that we have even made the question of profit subordinate to the question of safety, but in the long run, I believe, such a policy has paid. We would not take a contract under which we might incur penalties, for the reason that we would not give a premium to our masters to run under circumstances under which they would not have run, had they not known that if they did not run they might bring heavy penalties upon their owners; we have uniformly refused to have penalties, and would now refuse to conduct a service such as this under penalties. I heard one gentleman state to-day that six ships would conduct a weekly service; theoretically five would do it, but practically it requires eight, and the question of penalty comes in there, inasmuch as we have to make provision for our masters exercising their judgment, in fog especially, and we give them warning that the first duty they have is to look after the safety of the ship before any consideration of landing the mails or passengers in a given time, and we are consequently obliged to have a reserve of ships at Liverpool, so as to insure the requisite punctuality in the dispatch of the mails.

1405. Do you consider that the absence of penalties has had anything to do with the singular immunity you have had from accidents and loss of life?—That is one cause, because had there been penalties in the contract we might have told our masters what we chose, but they certainly would have done their best to save their owners from the infliction of the penalty, by going at a speed under the circumstances which otherwise would not be prudent.

1406. The fact that penalties were established in your contract practically would make no difference whatever in the expedition with which you performed your voyages?—Certainly not; the penalties would only make this difference, they would induce the masters of the vessels to go at times at a greater speed than it would be right that they should go at in order to escape the penalty.

1407. You are aware of the endeavours which have recently been made to establish a line of American steamers to be subsidised by the United States Government?—I understand that Mr. Scudamore yesterday referred to the Act of Congress providing for the establishment of that line; I have nothing further to add to what he stated with respect to that.

1408. Some reference has been made to the fact of your carrying the mails between Belfast and Greenock for nothing; will you explain under what circumstances you do that?—I am very much obliged to the gentleman who introduced that subject, as it gives me an opportunity of giving an explanation on a matter which may be considered to be irrelevant to this inquiry; I am quite aware that till the whole of the story with respect to that is told, it may look as if we were very inconsistent in demanding payment for carrying the American mails while we are carrying the mails between Scotland and Ireland for nothing; the whole story is this: for years we have carried the mails between Belfast and Greenock for nothing; twenty years ago my father, who is now out of the business, took, as he now takes, a strong view on the Sunday question; he had then very much the confidence of Her Majesty's Government, and with the views he held, he told the Government that if they would not ask for Sunday departures from Ireland, or from Scotland, as well as along the whole of the Western coast of the Highlands, which were totally under our control at that time (and which ultimately we handed over to one of our officials, Mr. Hutcheson), he would conduct the mail service at no cost to the Government; and the Belfast service has been

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been conducted for twenty years under that condition ; the Western Highlands service was conducted as long as it was in our hands under that condition, and is now conducted under that condition; that is the origin of the non-payment for the Belfast and Greenock service. But when you come to the mercantile question, you must distinguish between the running of coasting steamers a distance of 96 nautical miles, and the running of steamers on the Atlantic, a distance of 3,000 miles; the ships required to be built for the Greenock and Belfast service are built very much for the trade requirements alone, but the ships on the Atlantic are of a different kind altogether, as they must be built for postal requirements.

1409. Mr. *Seely*.] Under your existing contract you could employ any of your boats under class A, or class B, for either service?—Certainly.

1410. You are not building any vessels now?—We are not building vessels at the present moment ; we have had offers, but we are not building.

1411. If the contracts were not confirmed, you would not build any more vessels of the same kind ;—Not of the same kind.

1412. With respect to some of these boats in class B, take the case of the "Samaria," which sailed a short time since, did she leave Queenstown on the Sunday?—I suppose she did ; I do not know the particulars of that voyage; she was to leave on Sunday.

1413. Do you remember the "Samaria" leaving Queenstown on the Sunday, and being overtaken by the Wednesday boat?—I cannot say I remember it.

1414. Can you give the Committee any idea of the difference in the quantity of coals consumed on a voyage to America and back again by a screw vessel, as compared with a paddle-wheel vessel?—I am not quite prepared to give an answer positively, but I will take two things from recollection as an illustration. I think the "Scotia," on her outward voyage, took something like 1,750 tons of coal, and the "Siberia" would probably take about 800 tons, about one-half.

1415. Have you built any paddle-wheels lately?—No.

1416. All screws?—All screws.

1417. I think you have said that you have no contract at present with the United States?—No ; they are only arrangements from week to week.

1418. How are you paid?—At the rate of 20 cents an ounce.

1419. Is that about 10 *d*. an ounce?—About 8 *d*.

1420. Is that in currency?—That is in currency.

1421. What would it be in gold?—I should say about 10 *d*. an ounce.

1422. What did I understand you to say that you estimated the loss of calling at Queenstown at?—At a loss of 10,000 *l*. a year.

1423. That is for one service a week?—When I was asked the question how it came about that we did it under the old contract, without any provision to compel us, I stated that the cost to us was about 10,000 *l*. a year ; that includes the tender establishment and general equipment. I do not think that I should like to take 10,000*l*. to pay it, but that must be to a certain extent a vague computation.

1424. Do you not send boats to Queenstown that do not carry mails?—All the ships that go to America now carry mails.

1425. Do all your ships call at Queenstown then?—Yes, all of them, because they all carry mails.

1426. Every ship that you send to America carries mails?—Yes.

1427. Did all your ships call at Queenstown in the year 1868?—Yes, all of them.

1428. Did they all then carry mails?—No, the B ships did not carry mails.

1429. But they called at Queenstown?—They called at Queenstown.

1430. Those ships were directed to call at Queenstown for your own interest, I suppose?—They called at Queenstown upon such occasions as when they were not filled up at Liverpool with emigrants ; there was no occasion to call at Queenstown when our ships were full at Liverpool. It was merely an emigrant requirement.

1431. I understand you to say that all your ships in 1868 did call at Queenstown?—I think so.

1432. Did they call at Queenstown on the return voyage from the United States?—Yes.

1433. All

1433. All of them?—Some of them did not, but generally they did.

1434. I believe that about 40 cubic feet of cargo, such as mail bags, go to a ton?—I cannot speak to the mail bags; the cargo measurement is about 40 feet when you take a bale of goods. I should think it would be about that.

1435. Is there more expense in conveying 40 cubic feet of mail bags than 40 cubic feet of cotton?—There is no extra expense in carrying 40 cubic feet of mail bags, as regards the fact of the men hoisting them on board and putting them into the hold, but there is very great extra expense to provide a ship to carry them if those mail bags are to be delivered in a given time. There is no extra expense in the mere act of putting them on board.

1436. Is there any other extra expense entailed upon you than that of the delivery of the mail bags in a given time?—There is no extra expense in the fact of our ship's crew hoisting the bags on board and putting them into the place of deposit, and hoisting them out again, the same as what they would do in hoisting a bale of Manchester goods.

1437. Then the only extra expense in carrying mail bags is that you have to carry them quicker than you would have to carry cotton?—Yes.

1438. Is there any other expense except that; I want to ascertain what is the extra expense in carrying the mail bags over other goods of a similar class?—The extra expense is mainly attributable to building a class of ship specially destined for the carrying of those mail bags with regularity and speed.

1439. But you say that there are two elements in the building of ships for carrying mail bags, regularity and speed; now any ship whatever can start at a given time, can it not?—Just so.

1440. It does not require a particular class of ship to go at a given time, so that we are reduced to the building of a certain class of vessels to go at a certain speed?—Yes; further than that, the ship that carries the postal bags incurs a very heavy expense, being obliged to wait until those mails arrive at the port of destination, when, under other circumstances, the ship might not require to wait at all, being full of cargo and passengers; and that expense is incurred by the burning of coals in harbour, the men's wages, the feeding of the ship's crew and passengers, and other things.

1441. But, as a matter of fact, have you to wait often for the bags?—Constantly.

1442. How often?—The last time I went to Queenstown in the "Scotia," in the spring, we got to Queenstown at seven in the morning, and the mails did not come till four o'clock, when she weighed anchor.

1443. What time was that vessel advertised to leave Queenstown?—The understanding with the passengers is that the ship leaves the moment the mails are on board, but the understanding with the Post Office is that the mails cannot be on board before the afternoon, I think it is four o'clock.

1444. What was the time in the case you have mentioned at which the mails ought to have been at Queenstown?—Four o'clock, I think.

1445. And the ship left when?—She left at four o'clock.

1446. Your vessels arrived there at or what time?—Seven o'clock in the morning.

1447. What time were the mails put on board?—At four o'clock, or half-past four in the afternoon.

1448. Was that the time that the Post Office agreed to deliver them at?—Yes.

1449. Then you had not to wait beyond the time stipulated by the Post Office?—Not on that occasion.

1450. As a rule, do the letter bags come pretty nearly to the time at which the Post Office undertakes to deliver them?—As a rule, they do.

1451. Could you not time the departure of your ships from Liverpool to meet that?—No, because we have no control over the wind and tide.

1452. I apprehend if you had no subsidy you would still let your ships depart at fixed periods, that is to say, on the same day?—No; that depends entirely on trade requirements, we would vary at different seasons of the year according to the state of the markets, and according to the emigrant requirements.

1453. We have been told by other witnesses that, as a rule, steam ship companies send their vessels on the same day of the week throughout the year?—We sail our ships entirely according to trade requirements. At certain

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seasons we have more emigrants than we have at others, and at other seasons we have none at all; some seasons we have a large spring freight outwards, and at certain seasons in the fall of the year we have large markets to accommodate.

1454. Supposing you had no subsidy, should you run steamers regularly to the United States throughout the year, if you did not carry the mail bags?—I hope so.

1455. You intend to do so, do you?—Yes, fully.

1456. You have been, to use a plain word, fighting Mr. Inman for the last 20 years?—Yes.

1457. You got tired of that?—We were forced to get tired of it, owing to competition. But it was not caused by the competition of our own countrymen. Mr. Inman and myself were perfectly willing to compete with the National Company, Mr. Guion's Company, and all the companies. To show the necessity for people to look to self-preservation, there is at this moment, in Liverpool, what they call a Steam Conference of all the British steamship owners in Liverpool and Glasgow, whereby all the rates of freight are regulated at that conference, whether by subsidised or not subsidised lines; the rates are fixed without any reference to who has a subsidy or who has not. The National and Guion's Company are parties with Mr. Inman and my own Company to this arrangement, therefore the question of subsidised companies being able to carry at less rates of freight is a gross fallacy.

1458. I understand you to say that you were affected by this foreign competition, with regard to your passengers and goods, and that you were glad to enter into friendly relations with Mr. Inman, in order more successfully to compete with them?—Yes; we were placed under very hard regulations. The Germans were allowed to come in and take our trade, they not being under the same regulations.

1459. What are the special disadvantages which the British shipowners are liable to?—In the first place, the German ships call at Southampton, and they are under no restrictions whatever; I mean the Board of Trade restrictions, such as the Inman Company and we are under; they are under different restrictions altogether, and those restrictions are not so heavy as ours. We are under a code which is most wise for the safety of passengers, but the German ships come into the country without those restrictions. I am not in a position to speak on this matter as well as Mr. Inman, because he has studied the subject.

1460. I think I understood you to say that it would scarcely be possible for you to go on as you are without this subsidy?—Certainly.

1461. And Mr. Inman was of your opinion?—Yes.

1462. And therefore you coalesced together?—Yes.

1463. Against the other steamship companies?—No, not against the other steamship companies.

1464. But in order to preserve your position?—Yes, because we found that our own country was not supporting us against foreign aggression.

1465. They were taking less rates of freight than you thought reasonable, were they?—They were eating in upon our trade.

1466. You mean that they were getting the goods and passengers?—Not so much goods as passengers. That was one of the great causes which brought Mr. Inman and myself together; Mr. Inman is thoroughly master of that subject.

1467. Then what was simply your motive for coalescing with Mr. Inman?—It was simply a matter of self-preservation.

1468. What do you mean by self-preservation?—It just means this, that we were being attacked by other competitors who, upon a vantage ground, were enabled to get the better of us.

1469. Then it appears to me that in order to maintain your ground with your competitors, you required the 105,000 *l.*?—No, that is a different question; I think I have stated that one of the principal reasons which made it expedient for Mr. Inman and myself to come together, was the growing competition of foreigners, but I separated that question entirely from the postal question, which stands upon another and a distinct ground.

1470. May it not be fairly inferred from your answer that the 105,000 *l.* helped

helped you to meet this foreign competition?—Most decidedly not; in no way; that is a separate question, to which I can give a separate answer if I am asked.

1471. Then it would appear almost, at all events, that the passengers seem to have preferred those foreign boats?—No, I do not think they did; emigrant passengers will prefer the boat which costs the least; they know very little about a ship, and are very much in the hands of the brokers; they know very little difference between one ship and another; the question that regulates the passage of an emigrant going to America is the rate at which he is carried; there is no preference in the matter; I believe that. Emigrants know so little of the different boats that run, that they would just as soon go in one boat as another; it depends very much on the broker, and the broker depends entirely on the rate of the passage money.

1472. Then if you found yourself at some little disadvantage, that is to say, that you were losing your passengers to some extent, that showed that they were taking a less rate of freight?—I do not know.

1473. But that is a fair inference, is it not?—Yes, certainly it is a fair inference.

1474. Then the 105,000 *l.* would help you to meet that?—No, I will not allow that question to go along with the rate of freight. I am prepared to give a separate and clear explanation of the postal question which would satisfy any honest man.

1475. I think you said that the weather had been very bad this year?—Yes, very bad.

1476. But I suppose it was pretty much the same with regard to your competitors?—In the experience of all men who have had to do with the navigation of the Atlantic, we very often find that in one portion of the Atlantic there is a most severe hurricane, and within perhaps a circuit of 200 miles the water is calm. Such was the case with the "Pereire."

1477. Then heaven was not very favourable to you?—We were most unfavourably situated, so was Mr. Inman, and so were most of the companies.

1478. That is to say, that other ships had the same weather going across about the same time?—In the case of the "Pereire," or the case of one of the ships, at all events, she lost all her boats.

1479. I think you said it was never intended that the Tuesday service should be quite as good as the Sunday service?—No; I said that I intended the A ships for Saturday, and the B ships for Tuesday. But it was our intention to give a generally good service on Saturdays and Tuesdays, but owing to the diminution of the payment, it was impossible to expect us to give two Saturday services for that payment; it simply depended on the payment. If the Government would pay us in proportion, we would make the Tuesday service quite as good as the Saturday.

1480. But am I not justified in saying from your evidence that under the present circumstances, looking at the payment that you received, it was not understood that you should give the same good service on Tuesday as you did on Saturday?—It was not so necessary for the Tuesday service as for the Saturday service to be speedy.

1481. You stated that the French pay subsidies to some of their lines of steamers?—Yes.

1482. In what respect do they affect you?—They affect us very materially in the abstraction of our cabin passengers.

1483. You do not get so many as you would otherwise have, you think?—No.

1484. Do you state that you are injured by the North German Lloyd's and the Hamburg Company?—We may be injured by a policy, but it is impossible to say with regard to those companies.

1485. You are aware that they have no fixed subsidy, are you not?—Yes.

1486. Mr. *Hamilton.*] Have you never been subject to penalties; with regard to time?—Never.

1487. There was no special stipulation made on this occasion?—No, although Mr. Scudamore did his very best to compel me to take penalties, he worked hard at it for a whole day.

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1488. I think your objection to penalties is that you think safety may be compromised just for the sake of complying with a fixed time?—I do.

1489. Then there is nothing which gives any security to the public that this service will be conducted well, except your high character and previous services?—And an experience of 30 years.

1490. With regard to this arrangement with Mr. Inman, when did you come to that arrangement with him?—I cannot say the month; it must have been in the autumn of 1868, I should think, but Mr. Inman will remember; it was in August

1491. About what time were you contemplating the possibility of opening new negotiations with the Post Office for the service of 1869?—I was contemplating it during the whole of the temporary service; the whole of the year.

1492. At what time did you first open the negotiation with the Post Office?—The first negotiation was when the Post Office issued tenders as they did in 1867, and we declined them.

1493. But what was the period at which you first opened negotiations?—It must have been about the same time.

1494. And yet you tell the Committee that this postal contract had nothing to do with your entering into an alliance with Mr. Inman?—No; I said it had nothing to do with the German question; I think I said that we, seeing the same question would arise on the contract to be commenced in 1869 as arose with the contract of 1868, gave great consideration to what answer we should give to the Government if they again issued this form of tender, and after so considering the subject we said toourselves this:—"Mr. Inman must be considering the very same thing;" and we said, "Why should we go forward with diametrically different policies to the Government, with a probability of his asking a higher sum than we, or we asking a higher sum than he?" We, therefore, as prudent merchants, said, "We had better meet together and consider what we are going to do, and state distinctly what we are going to do."

1495. You do then admit that the Post Office contract was an inducement, if not the principal inducement, for you to come into the alliance with Mr. Inman?—The consideration of the question was an inducement.

1496. You are only bound by this contract to provide vessels of 2,000 tons gross tonnage to go 12 knots an hour; I understood you to say that if this contract is ratified, you are thinking about building vessels of 3,400 tons that will go 14 knots an hour?—The answer to that question is this: In all our previous contracts there have been stipulations from time to time that we shall provide vessels of a certain size; we have never in any one case stopped at the requirement of the contract; we have always exceeded what was required, to a great degree. Carrying out that policy of 30 years' standing, when this contract was a fixed thing, as I thought, before taking offers from the builders I wrote to them in this way: I enclosed a specification, and I said, "What will that ship cost, carrying 1,000 tons of dead weight on board, and what will she run by the measured mile?" and the answer was, that with 1,000 tons of dead weight on board, one said that she would run $13\frac{1}{4}$ knots, another said $13\frac{1}{2}$, and another 14 knots. The contract on the Table now specifies that the ships shall be not less than 2,000 tons, and shall run 12 knots to the measured mile, with 800 tons of dead weight; the differences between the contract, as it stands, and the offer which I would accept this night are this: first, the ships, instead of 2,000 tons are upwards of 3,000 tons, and as to the dead weight on board, it is exceeded by 200 tons; I am not in a position to say what a ship will run at the measured mile, but I asked practical builders to say, and they gave me that answer.

1497. If it were proposed to modify the contract so as to give a tonnage of 3,400 tons, the vessels to run 14 knots an hour measured miles, would you have any objection to that alteration?—I would; I leave a margin for my own discrimination, but I will not be forced up to a vessel of that size.

1498. But if you know that it can be done, why should you refuse?—Because when I made the contract I fully intended that the ships should be 3,000 tons, and run 14 knots an hour, with 800 tons dead weight.

1499. You always intended to give the country a better service than that which

which was stipulated for?—Yes; and if you go back to all our previous contracts up from 1840 you will find the same thing.

1500. In your contract, at clause 16 it is distinctly stated that you are to be paid "out of such aids or supplies as may be from time to time provided and appropriated by Parliament for that purpose." Now I think that on some previous occasion, with which you are probably familiar (I think it was in relation to the Dover contract), the effect of that clause, or of the want of that clause, has been admitted or felt in Parliament; it is, I think, within my recollection that that clause was inserted owing to some difficulty arising out of some Dover contract many years ago?—I was not aware of that, but that clause was introduced under Sir Stafford Northcote's Committee.

1501. Were you clearly aware that the ratification of this contract depended on the non-opposition to it by Parliament during 30 days after the contract had been on the Table of the House?—Certainly.

1502. Do you think that you would have any ground to complain except of the one or two months' delay if this contract were not ratified?—I have said all along I would much rather the question were put; I must bow to the decision of the House.

1503. I understood you to say you felt that it would be hard upon you, considering this contract was entered into many months ago, and that there was an opportunity, as you say, of laying it on the Table of the House (which I should hardly admit), you should run the risk of being deprived of that contract now?—Yes; legally I maintain that the House of Commons have a perfect right to throw the contract overboard, but I, in connection with my partners, have had many transactions with the Governments for years past, and in all those transactions, and we have had transactions of a weighty kind (two singularly enough with Governments which did not live to carry out those transactions), in no instance did any Administration leave in its portfolio an arrangement made with me or my firm which was not homologated by the succeeding Administration, and therefore my partners feel that this is a slur to some extent upon us, when an inquiry is open to see whether there is anything under this bargain, which is made with the Government, which was not fair and right.

1504. You are aware that there is a strong difference of opinion among the Members on both sides of the House with regard to the expediency of continuing these subsidised contracts; was it not quite open for independent Members of the House to raise the question, without implying in their motion a doubt with regard to good faith, or any imputation on yourself as a contractor?—Most perfectly; any Member of the House has full liberty and right to raise the question, but the point comes to this; that when the Administration who made the bargain with me explains to the House that it was made purely and honestly, and the best that could be made, I fully expected the House of Commons would sustain the bargain, it having been made on pure grounds.

1505. This clause was introduced specially with the object of giving independent Members of Parliament the right of calling in question, not the good faith of a contract, but the policy of entering into such contracts at all?—I think you mentioned just now that this clause was inserted very much to meet a case like the Dover contract.

1506. I may be wrong in that?—If it was so introduced in relation to the Dover contract, it cannot appertain to my contract.

1507. I am not alluding to the Dover contract, or to *mala fides*, or interested preference at all; but there was a difference of opinion with regard to the policy of that Dover contract, and my meaning was that this clause was introduced in order to reserve to the House of Commons the power of reconsidering these matters, not trusting entirely to the discretion of the Government?—True; my expectation, or rather I should say my reading of the clause, was this, that it gave power to Parliament certainly to throw over the contract, and the power to any independent Member to raise a question in the House of Commons upon the contract. I fully expected that many gentlemen in the House would take a distinctly opposite view to that which I maintain, and I told Mr. Baxter so two days ago; but the point where my expectation failed was this, that I thought, after an explanation was given, such as was given in the House of Commons the other night, I was perfectly certain of that contract being maintained.

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1508. You have stated to the Committee that the execution of some orders that you have conditionally given depends on the confirmation or non-confirmation of the contract?—Yes.

1509. Then up to this time, the Cunard Company have not incurred any expense or liability in view of having the benefit of this contract for years?—We have incurred no liability with regard to entering into a new contract for new ships, but we have incurred very serious liabilities during the last three months; but that is a question by itself.

1510. How have you incurred those liabilities?—We have been running the mails since the 1st of January.

1511. Of course, there would be the payment for that?—I cannot say; I thought that Mr. Ward Hunt indicated that there might be none.

1512. I suppose we may assume that there has been no increased expense incurred by your company up to this date?—Certainly not; but the whole of the preparations for such expenses were incurred.

1513. Sir *Massey Lopes.*] Supposing this contract is abruptly terminated, would your company sustain any loss; I mean, supposing you are paid for whatever service you have done, would you sustain any loss?—A most severe loss.

1514. Will you tell the Committee what that loss would be?—We would sustain a loss in this respect; that on the faith of this contract being sustained, we have put on ships since the 1st of January until this date, which as prudent merchants we should never have run, but for the idea that the contract would be maintained.

1515. You say that you would sustain a considerable injury, and also that you would feel much aggrieved, I think?—I do say that.

1516. Do you think that there would be any reflection on your company as far as the public are concerned?—I think that until the public knew the whole facts of the case, they might reflect on the policy of so abruptly terminating the contract, but that it would be the duty of the contractors to "educate" the public to a true knowledge of the facts of the case.

1517. Would you have taken any contract at all if you had considered that there would be any probability of its being terminated?—Most certainly not.

1518. Supposing this contract should be terminated, is it your opinion that your company would tender again for a contract of this description?—Most certainly not.

1519. I understand you to say, with regard to the slow vessels, that you burn a vast deal more coal, and keep more men on board than you otherwise would if you simply used them as cargo vessels?—Yes.

1520. Also that you would not call at Queenstown if you had no arrangement with the Government?—We would never call at Queenstown with the Saturday ships.

1521. It would be perfectly uncertain whether you would or not, I suppose?—We would not call.

1522. You drew a distinction between the number of vessels required for this weekly service, I think you said, in theory and in practice; how many vessels, as a minimum, would you require to carry out the weekly service?—The Saturday service could not be done efficiently without eight or nine vessels. There are very many cases which have occurred during the currency of our contract, when, at the last moment, or shortly before a vessel was about to sail, we discovered a flaw in the machinery, and my partner has telegraphed to me to Glasgow to know if I would take the risk, the engineer reporting that it was not very deep, and that it would probably not bring about any disaster. In all such circumstances we have changed the vessel and fallen back on our reserve; and were it not for keeping a large reserve at Liverpool, we could not maintain punctuality, as we have maintained it for the last 30 years.

1523. You would consider that more vessels are actually required as a reserve than you would employ if there was no chance of injury?—Yes; that was my reason for putting so many vessels into the present contract.

1524. Would you consider the same reserve necessary for ordinary commercial purposes?—Certainly not; we would have no reserve.

1525. With regard to the mail bags, there was something said with regard to 40 cubic

40 cubic feet of mail bags to a ton; would there not be a greater risk, and greater care required, with regard to those mail bags than if it was simply cargo, and would there not be greater responsibility?—A much greater responsibility.

1526. Besides that, you would require a different class of vessel, both for regularity and for the purpose of steam carriage?—Certainly; the mail bags have increased very much lately; the last mail went out with three tons weight.

1527. But if you did not carry those mails, you would not leave at the same stated regular time?—No.

1528. And that would be a great injury to the commercial world, would it not?—Yes.

1529. I think you stated that by the present contract, if carried out, you would receive 70,000 *l.* a year for the two services; do you reckon those two services at 35,000 *l.* each, or do you consider that the Sunday service is much more expensive, and that it would work out to more than that?—I gave a particular reason to the Government why I would not tender for 35,000 *l.* each service; I said, "We will give you a bi-weekly service and give you a good service for Saturday and Tuesday, for 70,000 *l.*, but it is not for me to say how you may divide it; you may divide it as you choose, but my opinion is, that in the Saturday service, we are placed at a disadvantage."

1530. You would not have undertaken the Sunday service alone for 35,000*l.*?—Certainly not.

1531. *Chairman.*] You said, I think, that your father had been very much in the confidence of Her Majesty's Government for a time?—He was then, in conjunction with our late partner, Sir Samuel Cunard, very much mixed up in all previous contracts, and was constantly in communication with the Admiralty, Treasury, and the Post Office; I believe I said, "He had the confidence of Her Majesty's Government," and I repeat that very strongly: the reason of my stating that was this, that unless the Government of the day and the Post Office had confidence in him they would not have allowed the service to be conducted for nothing.

1532. Now, your original contract was entered into first, in what year?—In the year 1839 or year 1840.

1533. And it was renewed in the year 1858 until the end of 1867?—Yes.

1534. Do you concur in the statement made by Lord Stanley of Alderley, that the Post Office have incurred an annual loss of 100,000 *l.* a year from that contract with you?—I have no means of judging.

1535. As to your contract with the Post Office of last year for 80,000 *l.* for the conveyance of the outward and homeward mail, do you know at all what the sea postage realized by the British Government was, to compensate for that?—No.

1536. Has the American Government accepted any of your vessels for the return mails?—Yes.

1537. I understood Mr. Scudamore to say that the American Government select particular vessels?—Yes; they do.

1538. Has it selected any of those vessels that sail on the Tuesday?—Speaking from memory, I think that the last ship that came in, the "Samaria," was accepted by the American Government.

1539. You have always persistently refused to tender for payment according to the service performed?—Yes.

1540. I suppose the fact is, with regard to your relations with Mr. Inman, that during 20 years' competition (as we find very frequently with companies) you would not coalesce so long as you had the monopoly of the contract up to the year 1867?—Of course, as long as it was a running contract it would have been needless to make any arrangement.

1541. You had far too good terms to feel inclined to coalesce?—No, I decline to admit that.

1542. When the Post Office were paying 100,000 *l.* a year more than the return they received, you cannot help calling them good terms, can you?—Yes.

1543. They were bad terms for the Post Office, but not good terms for you?—No; not for the class of ships then running.

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1544. Then neither party was satisfied?—I do not say that we were not satisfied, but we were not receiving more than was required for the service.

1545. Still Mr. Inman was anxious to have a share of those terms, and when your monopoly came to an end you were ready to coalesce?—Before that there is the contract of 1868: I set that contract on very different terms with regard to money.

1546. That was for a different service?—We got 173,000 *l.* per annum.

1547. You offered to reduce that to 123,000 *l.*?—Yes.

1548. And when the calling at Halifax was done away with, you offered to reduce it to 95,000 *l.*?—Yes.

1549. Then I cannot understand that it would not be a very good contract?—But I made a distinct bargain with the Government that certain clauses should be taken out by the Government, and the most prominent of all those clauses was that of the Admiralty jurisdiction.

1550. But is it not the fact that you are relieved from a great proportion of the restrictive clauses that were put upon you in the original contract?—Yes, most certainly: we could not otherwise have afforded to make a less offer. The "Russia" was the last ship under the dockyard supervision, which means that every plate shall be tested, and of the strength such as is used in the dockyards; and the conclusion which I arrive at is this, that had the "Russia" been built under the Board of Trade survey, we should have saved about 15,000 *l.*

1551. You contend, as I understand you, that you are conferring a benefit on the Government by taking the mails, and that you are not gaining by it?—I did not put it in so strong a light.

1552. That has been rather the gist of your evidence to-day, I imagine?—But for the mere fact of my having been very much interested in this service, and not wishing to drop anything I had taken in hand, if I had known what I should have to undergo throughout this contract, I should have been glad to be rid of the whole thing.

1553. You have told the Committee of the admirable services which you have rendered to the Government at different periods. I presume that you were amply paid for those services in any point of view?—Yes.

1554. You do not mean to imply that you are to have a good contract now because you performed those services, do you?—No, but I do mean to say this, that unless that contract had been in existence, and unless the company had been paid by subsidy, those ships would not have been in existence during the Crimean war, or at the time of the "Trent" affair.

1555. But do you think that at the present time steam ships could not be taken up to convey troops whether there were subsidies or not?—I believe that the Government could get ships now as they did in the case of the Abyssinian war, where there was no subsidy at all.

1556. It has been intimated in this room that perhaps if you did not carry the mails, you would not run boats in the winter if you had not a contract?—Most certainly.

1557. You would break up your line of communication during the winter?—No, we would run a different class of vessels, but we should not run such vessels as the "Java," and the "Cuba," and so on.

1558. Mr. *Hamilton.*] Would you run the Tuesday class of vessels?—Yes, and vessels even slower than those.

1559. *Chairman.*] You stated that the main reason for an alliance between Mr. Inman and yourself was, that your countrymen were not supporting you against foreign competition?—I should have said, "country;" but I leave that question for Mr. Inman; he is master of the subject, and he has been in communication with the departments of the Government that have had that more under their control.

1560. You spoke, as I understood you, not so much of any duties you undertook for the Government, as of the general public; you said that your alliance with Mr. Inman, in a commercial point of view, was worth far more than the money to be paid for the contract?—Yes, and I maintain that.

1561. I think your answer was given as a sequence to that, and therefore that it was not the "country" but the "public"?—If the German ships are put under the same

same restrictions as Inman's ships and Cunard's ships are put, I have not a word of objection.

1562. But you are put under no special restrictions from any survey for the Post Office?—No, not under Admiralty survey.

1563. There is one clause that was alluded to yesterday which the Committee was given to understand would prevent your carrying any foreign mails; do you read that clause so?—I have always understood that that is so, but I never paid any attention to the subject till yesterday.

1564. Mr. Scudamore in his evidence added that there was one thing which heavily weighted you, that you were not allowed to go to Havre and pick up French mails; do you read that clause so?—Most certainly; I understood that by the bargain, as made with Mr. Scudamore, I was not entitled to carry a single letter of any foreign nation, because by so doing I might defraud the British Post Office revenue.

1565. But as there was no particular prospect that you would carry the foreign mail pecuniarily, it is not a great weight upon you?—It is not perhaps a question that would arise, because there is no foreign country on our track unless we went to Havre.

1566. With regard to the confirmation of the contract by Parliament, there is one more question that I wish to ask you; I think you must be wrong in your idea that Parliament was not to express a judgment on the contract, except with regard to its *bona* or *mala fides*?—That is a matter of opinion; I only gave that as my own impression.

1567. My impression, which is concurred in by the Honourable Member for Salisbury, is that that was put into the contract in order to give Parliament an opportunity of reviewing the policy of the contracts?—I believe I may say that in the event of this contract not being ratified, the Post Office will have the greatest difficulty in making arrangements with contractors in this country, or, indeed, to make any bargain, because they will feel that they cannot depend on the good faith of the Government.

1568. But I think you can hardly view it as a matter of good faith on the part of the Government; the Government enter into all those contracts, as I understand, subject to their being laid on the Table of the House of Commons, and not disapproved of within 30 days?—Yes.

1569. And the contractor knows on what terms he is entering on the contract?—Yes.

1570. Therefore, I think, you cannot say that it is a want of faith in any Government if the House of Commons chooses not to confirm the contract?—Yes; but I never certainly read the clause to mean that a contract made with a Government was to be revised in all its details before the House of Commons; I read it that it was a safeguard against any Government making any contract through any kind of political jobbery or otherwise.

1571. Mr. *Hamilton*.] I understand you to say if you get no subsidy that, though you will not take off your line of steamers from the United States' service in the winter months it may be occasional instead of regular, as it is now?—We would reduce the sailings according to the state of the market.

1572. From week to week?—Yes.

1573. Do you know the amount of the sea-postage in the year 1868?—No.

1574. Would you be surprised to hear that it was 70,000*l.* on the whole of the correspondence outward from this country to America?—My attention has never been directed to that question. I have consistently held aloof from that question.

1575. Assuming that to be right, and that the Government was inclined to add even the inland postage, which would bring it up to 110,000*l.*, irrespective of the home postage from America, do you think that the prospect of having a share, and almost the whole of so large a remuneration for carrying the mails, would not operate upon you as a sufficient inducement to carry the mails for the winter months?—I should be delighted to go into that if Mr. Inman and myself were guaranteed the whole of it.

1576. Are we to understand that you would be prepared to take the whole of the postage, provided it was guaranteed to you and Mr. Inman in lieu of a fixed subsidy?—If the minimum is to be 105,000*l.*

1577. If the Post Office would show you certain statements which would

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leave on your mind the impression that the postage would in all probability this year not be less than 105,000 *l.*, would you do it?—Yes.

1578. That being so, would you be prepared to modify your contract, and to accept the postage instead of the subsidy?—Yes, if the Post Office will initial that and say that I shall get it at the end of the year.

1579. If the Post Office were to lead you to believe that there are reasonable grounds for believing that that would be the amount, would that be a sufficient inducement for you to take the postage in lieu of a fixed subsidy?—No, I cannot go "on reasonable ground;" I must go on a matter of fact.

1580. You would not take an uncertainty?—Certainly not.

1581. Mr. *Seely*.] Before I put a question to you, the Chairman will perhaps allow me to observe that when I put the notice on the paper of the House, I had not had the slightest communication, to the best of my knowledge and belief now, with the Government or any Member of the Government, and that I did it totally independent of any one?—Viewing it as an individual motion of a Member of the House, I thought it my duty to acquaint the Government, if that motion was carried, what the effect would be, and I thought naturally that the Government would see there was a large question involved in it, but to my great astonishment the Government maintained their ground.

1582. I should like further to observe that, after the notice was put on the Table of the House, of course it was talked about, and I modified it?—Yes.

1583. You have said that if the contract were abruptly terminated, you would sustain some loss?—Certainly.

1584. Would that loss be greater than you would have sustained if the contract entered into in the year 1868 had terminated at the end of 1868?—Certainly, because the three months of the winter, January, February, and March, are the worst months in the year.

1585, You also said that if you had no subsidy, you would not call at Queenstown on the Sundays?—Certainly not.

1586. But supposing you had no subsidy, would you still run your ships on the Saturday from Liverpool?—That would depend entirely on trade requirements; very probably we should sail the Saturday ships during the whole of the summer without touching at Queenstown.

1587. We have had evidence before the Committee that other companies do almost invariably call at Queenstown which have no subsidies?—Yes, and so would we during the emigrant season.

1588. I have an impression that it has been stated to the Committee those companies call regularly at Queenstown throughout the whole year; is that so?—I think most likely they do.

1589. They do that for their own interest, I suppose?—Yes, certainly; they do as we do; we call for emigrants, but we do not wait there; last week one of the ships left Liverpool with her full complement, which, but for the mails, would not have called at Queenstown at all.

1590. You have said that there would be a greater responsibility resting on you under the present circumstances, than for goods only?—Certainly; because at the present moment we have to use the greatest care in handling the mail bags and seeing that they are put in a safe place, free from danger; for instance, that they are put in a part of the ship where, in the event of a collision, they could be got hold of before any of the cargo was touched.

1591. But you would sustain no loss with regard to the letters if the ship was wrecked and the mail bags lost; you would pay nothing for the loss of the mail bag, would you?—Certainly not.

1592. Sir *Massey Lopes*.] If the ship was wrecked I suppose there would be no responsibility with you; but supposing through your neglect or carelessness any injury happened to one of those mail bags, would you be held responsible for that injury?—No.

1593. *Chairman*.] Suppose the French Government were to send a mail from Havre in your boat to meet you at Queenstown, you would not be able under your present contract to take that, I suppose?—I maintain that we are not.

1594. Mr. *Graves*.] Then, if they did, the Post Office would take the amount?—Yes.

1595. *Chairman*.]

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1595. *Chairman.*] Would not your claim to compensation as against the Post Office, if your contract were broken now, be referred to arbitration?—I have no idea.

1596. Have you anything to add to your evidence?—There is one thing more; you mentioned just now that I put it pretty much on the footing of a favour to the Government; I should be very sorry that any such impression should be left upon the mind of the Committee; I have tried both by correspondence and by my evidence to-day to give an honest statement of how things have taken place, but I have never put it on the footing of dictating to the Government or conferring it as a favour.

Mr. *William Inman*, called in; and Examined.

Mr. *W. Inman.*

1597. Mr. *Graves.*] You are managing owner of the Liverpool, New York, and Philadelphia Steam Ship Company?—Yes.

1598. The Committee having had before them the fact that your steamers, up to the end of last year, have carried United States and British mails on the basis of the ocean postage, will you state what led you to change your form of tender last August?—From the experience of the autumn and winter of 1867, 1868, and of the contracts for 1868, my co-owners agreed with me that the time had arrived for a settlement of the Atlantic mail service, considering not only the relations previously existing between the Cunard Company and ours, but also the encroachments of the foreign companies which, by a change in British laws, built their steamers side by side with ours on the Clyde, and then avoiding all British surveys, claimed all British privileges of carrying passengers, mails, and goods, so that in fact they earned all they could from their own countries and then called to fill up with what they could obtain in England. We therefore decided to come to an agreement with Messrs. Cunard, and in my discussion with Mr. John Burns in August last, agreed upon the basis of ocean postage of 1,200 *l.* a voyage, which was in strict accordance with the views expressed in my letter of the 22nd November 1867, read yesterday, and I still think that my tender of 50,000 *l.* was as low a sum as we should have received to perform an efficient service.

1599. Have you any objection to state to the Committee what sums you had been receiving from the United States Government for the conveyance of the mails before 1868?—In 1866 we received 245,000 dollars or 36,000 *l.*, in 1867; 220,000 dollars or 33,000 *l.*; this was when the service was divided between the German, Hamburg, and American lines, and our own; the English money is to be taken in depreciated currency.

1600. Did your postal arrangement with the United States for the last two years embrace the outward and homeward mail?—Certainly; we had no contract whatever with the British Government, and we had our agent at Washington who settled with the Postmaster General about the end of the preceding year with regard to the number of times we were to sail, the number of times the German vessels were to sail, and the number of times the Hamburg-American vessels were to sail, and we were liable to 24 hours' notice at any moment to have the mails taken from us and put on board any American steamer that chose to come across.

1601. Were the arrangements the same in 1868 as they were in the two previous years?—The 1868 contract has just expired.

1602. Were the postal arrangements for 1868 different from those which you had in 1866 and 1867?—Yes, they were entirely different.

1603. Will you state in what respects they were different?—In 1868 we first came under a contract with the British Post Office for 1 *s.* an ounce outward, and a regular rate for carrying what we call the homeward mails from the American Government.

1604. Would you be kind enough to state to the Committee what were your postages out and home last year?—Our postages in 1868 put together realised 31,800 *l.* for one full service, a very greatly reduced, and, in my opinion, inadequate payment for the service performed.

 1605. How

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1605. How do you divide that?—About 22,000 *l.* from the British Post Office, and 9,000 *l.* from America.

1606. Did you carry the same extent of correspondence home that you carried out?—I think it is rather more homeward; we have been favourites in America for some time.

1607. *Chairman.*] Then the American rate that you received was less than one-half what you received from the British Government?—Yes, we were very much deceived in that arrangement, and we have refused to continue it with the American Government.

1608. Mr. *Graves.*] Is the Committee to understand that you have refused to carry the homeward mails for the United States Government on the same terms as you had been doing?—Yes, the whole of the four companies are agreed upon that. The German Company, the Hamburg Company, the Cunard Company, and our own, have come to an agreement that we will not carry mails on the terms which the late Postmaster-General of the United States requested us to do; we have refused to go into any contract, and I have left two Saturdays vacant; we have not put a boat on.

1609. *Chairman.*] But the terms of your contract and that of the four companies with America were yearly contracts; you say that the four companies are refusing any longer to carry mails for the American Government at the rate which the Post Office wished to impose upon them?—Yes.

1610. Then on what terms are you now; what notice had you to give to the American Government of the cessation of your contract?—A day; there is, in fact, no contract.

1611. Then you and the four companies, in refusing to carry any homeward mails, could entirely stop the homeward postage from America?—If we chose to do it we could do it to-night.

1612. Mr. *Graves.*] Does your disinclination to carry the American mails homeward arise from want of remuneration or from any restrictions that exist?—I lost considerably more last year than I received by it, perhaps double.

1613. Do you estimate at any value the carrying of these mails homeward?—No; I have been brought up in the school of adversity, and I have been 19 years without a contract, and I can do it still.

1614. The Committee would be glad to have some information with regard to what surveys your steamers are subject to which are not enforced on foreign steamers in the same trade?—Our steamers undergo every six months a rigid survey both as to hull and machinery by one or two engineer surveyors of the Board of Trade, who put under their lock the safety valves regulating the pressure of steam to be carried, and requiring whenever they like that the boilers shall be pressed to double the pressure they allow. Then, before every voyage we must engage certificated masters, mates, and engineers; also, two surveyors from the Emigration Board survey each vessel every voyage and give a certificate of the draft of water they think she should be loaded to; another surveyor from the same Board looks after the loading and proper nature of the cargo; another surveyor from the same Board, being a physician of the Navy, examines into the soundness of health of the crew and passengers; another surveyor, being a captain in the Royal Navy, examines into the efficiency of every sailor on board the ship, as his name on the articles is called over in his presence; also into the ground-tackle, life-boats, buoys, &c., only granting his certificate to allow the vessel to proceed to sea when he is satisfied on every point: so that, in fact, we undergo eight surveys from which the foreign companies are exempt.

1615. If you were exempted from those surveys would you be enabled to conduct a mail service at a lower cost than what you now demand?—Certainly; the lightness of build of the foreign steamers fully accounts for their speed, and I myself feel greatly aggrieved at being brought into competition both in England and America with such vessels.

1616. Mr. *Hamilton.*] Are those the conditions of the Board of Trade?—No; the six months' survey of hull and machinery is Board of Trade; the "every voyage" is "Emigration Commissioners."

1617. Mr. *Graves.*] Have you ever taken any means to represent this to Government?—The North Atlantic Steam Traffic Conference, comprising every steam company in Liverpool and Glasgow, made representations last year both

to

to the Board of Trade and Emigration Commissioners as to the injury inflicted on the commerce of this country by the exemption of foreign vessels from surveys. I will hand that letter in; it is a *resumé* of a document now in the hands of the Board of Trade.

1618. *Chairman.*] That is a letter, I presume, complaining of restrictions put upon you by the Board of Trade, but not having anything to do with the Post Office?—Nothing whatever.

1619. Mr. *Graves.*] Is it within your knowledge that foreign steamers are of lighter build and less durability than yours?—Yes; and I am quite satisfied that time will show it, and proof of it has been sent to the Board of Trade.

1620. Can you give any instance of any steamer passing from foreign into English hands which was not satisfactory to the Board of Trade surveyors, until she was strengthened?—Yes; Mr. Allan, the managing owner of the Canadian Mail Line, stated that when he bought the steam-ship "Hammonia" from the Hamburg Company for his Canadian Mail Line, the Board of Trade surveyors would not continue her certificate until she had been materially strengthened, at a cost of many thousand pounds.

1621. Do all your steamers call at Queenstown?—No; they have not always any necessity, and frequently in the passenger season they simply anchor to wait for the mails having been full of cargo and passengers on leaving Liverpool.

1622. Are they frequently detained there beyond the usual time, to your loss?—Yes; they have been detained there sometimes by telegraph from the Dublin postmaster till nearly midnight, and two of them have grounded in the harbour in pilots' charge in consequence of thick darkness, which would not have occurred had they been able to proceed to sea at the proper hour.

1623. Frequent reference has been made to passengers from Southampton and Queenstown; could you give the Committee any idea of the relative distance between the two places and New York?—Yes; from Queenstown to New York it is 2,783 nautical miles, and from Southampton it is 3,081 miles; it was so put on the chart which was laid before the Packet Contract Committee many years ago; this distance is to the New York Quarantine Ground.

1624. Do you attach much importance to penalties?—I was very indignant at the penalties put upon me last year.

1625. Do they put penalties upon you in New York?—They never have put any penalties upon me in my life.

1626. Are you under any obligation to wait at all at New York?—Last year, when the contract was made for one year with the Government at Washington, they did insist on our waiting and not sailing until after they could make up their mails at noon; and in consequence of that, one of our ships has been disabled for six months by an accident when she came out in a snow-storm, and the four companies united have written to tell the Government of the United States that they would sail at their own time; we now go out of New York sometimes at eight in the morning, and we wait for nothing.

1627. So that you would regard your service in connection with the homeward carriage of the mails as an irresponsible service?—Quite so; it is anything you like; in fact, in my opinion, it is a question whether the Postal Convention is being now maintained by the United States.

1628. An allusion has been made to the carriage of mails on the same grounds as merchandise; supposing you were running the same speed with the letter-bags as for commercial purposes, and all other circumstances were the same, I suppose there is no reason why you should not carry the letter bags as cheaply as merchandise?—If they are treated as merchandise we could do so.

1629. Supposing there is an obligation placed upon you to run with great speed and to carry, say, across the Atlantic, at 12 knots an hour in place of 10 knots an hour, would you give any idea of what the difference of cost would be for the carriage of those mails; taking coals alone, how many tons of coal additional would you require on the outward and homeward voyage?—The "City of Dublin," in our fleet, burns 30 tons of coal a day and the "City of Paris" burns 86 to 106 tons a day, according to circumstances, so that there is a difference of 70 tons between the two vessels in our fleet.

1630. That would be 1,500 tons, in round numbers, between those two ships?—Yes; and that you may take at an average of a guinea a ton.

 1631. Would

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1631. Would that represent the entire loss; is not there the displacement of 1,500 tons of cargo?—Yes, the same quantity.

1632. What money value would that represent?—Our rate is 3*l.* for fine goods, and it was 5 *l.* once; but you may take it all round at about 2 *l.* a ton.

1633. And this you would give as a reason why the letter bags should not be carried as ordinary merchandize, if speed is to be an obligation?—Certainly.

1634. Do you consider that you get more passengers from the fact of your vessels carrying the mails?—I do not think we do; I think some companies who are offering cheap postage might consider that it would be to their advantage; but as we were first in the American trade to carry emigrant passengers, and we are so well-known all over America, and our name has been so long associated with the American trade, I do not care anything for that.

1635. Though it might be an advantage to a company not so well-known as yours?—Undoubtedly.

1636. Mr. *Seely.*] In your correspondence with the Post Office, or the Treasury, I think you stated that the subsidy paid to the Messrs. Cunard enabled them to under-quote your rates of freight?—Yes; and that was undoubtedly the case when the Messrs. Cunard were receiving 180,000 *l.* a year, and I was only receiving 15,000 *l.* or 20,000 *l.*; but the circumstances have entirely changed.

1637. But the fact of parties receiving subsidies does enable them to take their goods at a lower rate, does it not?—That is not my opinion on these subsidies; I think the whole of the mail money is lost in the expenditure; I am not afraid, if I lose the contract to morrow, if I ran the steamers without the mails, that I should suffer a loss of 6 *d.*

1638. Do you remember the date of the letter which you have referred to?—I have repeatedly sent that representation in, but my first complaint was before the Packet Committee, which sat in the year 1860.

1639. When was this last complaint made?—It was in November 1868, when I complained that we were not put up to the old ocean postage.

1640. Then, in 1868, you complained of a subsidy of 80,000 *l.* being allowed to the Messrs. Cunard?—Yes.

1641. And you said that that subsidy enabled them to under-quote your rate of freights?—No doubt I did.

1642. The subsidy paid them in that year was 40,000 *l.* inward, and 40,000 *l.* outward?—That is a matter for the Post Office.

1643. But the amount which the Messrs. Cunard received for the year 1868 was not much more than the amount which they would receive for the year 1867, because they had 40,000 *l.* for the outward mails, and they have only 35,000 *l.* for the one service in 1869?—That is so.

1644. Then it appears you considered that the receipt of a subsidy of 40,000 *l.* enabled your competitors to under-quote your rates of freight?—No, not at all; if I understand the question rightly, it is not so, because they had 80,000 *l.* for one service, and I was only expecting to receive 30,000 *l.* for one service. But the Messrs. Cunard have now bound themselves under an agreement, which I would not take, to sail two boats a week for eight years to come. I would not do it for anything like the sum.

1645. In your correspondence with the Post Office you pointed out what was quite true, that your company had been in existence 17 years, and that your vessels were as good as the Messrs. Cunards' vessels?—Yes.

1646. It appears that you, without a subsidy, have established a fleet of vessels as good as your competitors (if they were competitors then with you) who had a large subsidy?—Yes.

1647. The inference that I should draw from that would be this, that the subsidy was not essential to success?—My opinion is that the subsidy is not essential to success to-day, and I do not pretend that it is.

1648. Now, with regard to calling at Queenstown, what do you estimate the extra cost at which a shipowner would be put to in consequence of calling at Queenstown instead of sailing direct from Liverpool?—In the year 1864 it cost my company 40,000 *l.* in the loss of the "City of New York" on Daunt's Rock, after receiving our insurance money. I dislike Queenstown, because when we are kept late for the mail train we have to lie at anchor in dark foggy nights, and we have been twice aground.

1649. What

1649. What is about the average extra cost, irrespective of shipwreck, involved in calling at Queenstown?—I cannot tell you.

1650. But what should you think?—If we did not call at Queenstown, we should take our departure for America from Tuskar. When I was fined last December, under the 1868 contract, I was fined when the captain was sounding off Tuskar; whereas if he had not gone to Queenstown he would have gone straight to sea. The expense of calling at Queenstown depends on whether by leaving Cork at night, we make Sandy Hook in the dark, or whether we make it in the daylight, and if we do not make Sandy Hook in the daylight, we may lie off there for as many as 36 hours waiting for a pilot if it is foggy.

1651. But is there any extra expenditure?—Certainly.

1652. What is it?—You have to engage steam tugs and pay double pilotage, and to bank your fires up, all your furnaces going, your cabin and other passengers, sometimes a thousand of them, eating and drinking, and, in fact, we have lots of expense.

1653. What would that amount to?—I really cannot tell; I might say a couple of hundred pounds a voyage.

1654. It is not the fact that your vessels have regularly called at Queenstown?—No, it is not.

1655. Have they generally done so?—Generally they have.

1656. When you advertise that vessels are going to sail, do you state if they are going to call at Queenstown or not?—Yes, we put "To call at Queenstown, to embark Her Majesty's mails and passengers;" we put no fixed hour.

1657. Do many passengers get on board at Queenstown?—Sometimes there are a good many, and sometimes there are none.

1658. During the time that you had no subsidy, namely, 17 years, did you sail on fixed days?—Yes.

1659. Did you try to make the voyages as quick as possible?—Yes, we had the Cunard Company against us with a great name, and we had to earn a name against them.

1660. And you did so?—That is for the public to consider.

1661. Did I understand you to state that you had never paid any penalty for being late?—Never, until it was inflicted by the British Post Office since this year came in; that is on the last year's contract.

1662. Supposing you had no subsidy, would you endeavour to run your ships as quickly as you do now?—We should run ships.

1663. But as quickly?—No, certainly not.

1664. But supposing other companies did run ships as quickly as your line now, would they be likely to get passengers and goods which you would lose?—I do not know, in the first place, where the ships are, and secondly, I do not know that there are any building.

1665. But people who want to go to America, and who send goods to America, as a rule, take the quickest ships, do they not?—Yes, they are giving our quickest ships one pound a ton over other steamers, except Cunards'.

1666. Mr. *Hamilton.*] Did I understand you to say that there was no profit to you from this contract?—I consider that there was none.

1667. Then what was the inducement to take it?—Because we liked to have a regular service, and we had never had it before.

1668. But what was the inducement?—Simply for the sake of putting "Royal Mail Steamers" on our ships.

1669. But you have stated that your service was so well known it did not want that advertisement?—It will not want it after this inquiry.

1670. There must have been some other inducement, I suppose?—There was simply the inducement of making an equality on the Atlantic with the Great Cunard Company.

1671. What do you mean by equality?—I hardly know what is meant by the question; I call it being on an equality when we can sail our ships, and nothing gives them an advantage over us.

1672. It was formerly the unsubsidised companies *versus* the Cunard companies, it is now the Inman and Cunard *versus* the rest of the world; is that equality?—Not so; from a pamphlet of the "North Atlantic Steam Traffic Conference," we are all bound here by a bond amongst ourselves, and the signatures to that bond are "D. and C. MacIver, William Inman, Allan Brothers & Co., S. B. Guion, Handyside and Henderson, and the National Steamship Company," who

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agree to minimum rates of freight, minimum rates of passage money, and minimum of railway rates, to be charged in America, and the rates of freight on goods.

1673. Then you are all combining against the public?—You may form your own conclusions; here is the pamphlet, and it binds us.

1674. What is that pamphlet?—"Epitome of Rules and Rates of Freight for Steerage Passengers and for Goods, with Agreement to abide by the same."

1675. I want to get from you, inasmuch as you do not anticipate any pecuniary advantage, what inducement there was to enter into this contract?—We had been always carrying the mails, and there was no reason why we should not continue to do so. The ocean postage brought us in a much larger sum than this postage was now doing, and last year we said, we will make a certainty of it; we will compound for it.

1676. Under the ocean postage you got more than you do now?—Yes.

1677. It was 36,000 *l.* in 1866, and 33,000 *l.* in 1867, for the homeward mail, and 31,800 *l.* in 1868; 22,000 *l.* being English, and 9,000 *l.* American?—Yes; but that was for a fourth of the United States postage, and we were not running half the steamers for it; in those years the average was about 13 voyages by my Company, 13 voyages by the Hamburg Company, 13 voyages by the German Company, 9 voyages by the American steamers, and I had the entire Irish Mail, and that was the proportion.

1678. This was not for a weekly service?—No, certainly not; that was a division between the four companies; what I am receiving now is for one full weekly service, and I am doing four times the work.

1679. In 1868 was it a weekly service?—It was not a weekly; in 1867 there was a bi-weekly service, *i.e.*, Cunard's one full service, and the German, Hamburg-American, and my Company, the other service between them; in 1868 there were four full services.

1680. In that year you got less for the outward mail than you now get for the inward mail alone?—No.

1681. Therefore, this bears a favourable comparison with regard to the remuneration of the previous year, does it not?—No; that was for one-fourth of the service.

1682. I thought I understood you to say that last year, 1868, it was a weekly service; is it not a weekly service now?—Yes, now it is, but it was not in 1866 or 1867.

1683. In the year 1868 (you handed in these figures) you got 22,000 *l.* after deducting certain penalties from the English Post Office, and 9,000 *l.* from America, and you are getting now in 1869, on the basis of a fixed subsidy, a larger amount of remuneration than you got for the weekly service of the outward mail in 1868?—Yes; the 1868 service was an experimental service; I would not repeat the experiment.

1684. What are you getting now from the American Government?—We have got nothing yet, but 20 cents is the rate.

1685. What will that probably amount to?—In depreciated currency perhaps 8 *d.*

1686. But the whole amount?—I cannot tell; it may be 12,000 *l.* perhaps.

1687. But that is in addition to the 35,000 *l.* which you get from this Government?—Yes.

1688. Now about foreign vessels; you say that English vessels are specially subjected to the conditions of the Board of Trade and the Emigration Commissioners; is it the fact that foreign vessels going into Liverpool can take out emigrants without any interference on the part of the Emigration Commissioners?—That depends on circumstances; if she is a foreign vessel under a foreign flag, sailing from Germany, calling at Liverpool to take out emigrants, she can go without any supervision. I had a conference with Mr. Horace Lloyd and Mr. Mellish, about this time last year, in which we tried to do what we could to bring foreign vessels under the emigration surveys at Southampton, and those gentlemen gave it as their opinion that a foreign ship could come into an English port and could take in what she liked and go on without survey.

1689. But she cannot sail from an English port without coming under the regulations of the Emigration Commissioners?—She cannot start from an English port.

1690. In that respect you are on the same footing as a foreign built vessel with regard to the Emigration Commissioners, are you not?—Nothing of the kind; those opinions which I have mentioned were given, and I have had an interview

interview with Mr. Murdock, Chairman of the Emigration Commissioners, and he held the same view; the German steamers leave Germany, and do not start from Southampton.

1691. With regard to a foreign built vessel coming into the Port of Liverpool sailing under a foreign flag, starting from Liverpool and not coming in to fill up, she is under exactly the same restrictions as the Emigration Commissioners enforce with regard to English vessels?—With regard to the Emigration Commissioners only; that is, if she comes in in ballast and makes the voyage out.

1692. Do you think that certain conditions which are imposed in the contracts of the Post Office are onerous conditions, and that they are not of much value to the postal service; there are some conditions which are not postal conditions, are there not?—If I am told what they are I will offer an opinion.

1693. Do you not know them?—I have not read them since last October.

1694. There is one condition about sorting on board; that is abandoned; there is another about a postmaster altering the hour of departure; did you consider that onerous on the contractor?—I think it is in the published correspondence, and it is certainly the understanding that we fix our own hour of departure, but that the postmaster ought to have it under his control, and that if I named an unreasonable hour the Post Office would have the power to tell me that it was not a convenient hour.

1695. Was it felt to be an onerous power which was possessed by the Admiralty to purchase your chartered vessels?—They may have the vessels with the greatest pleasure, but it made no difference, in our terms, because, as will be seen from the papers, it was not a matter of payment—it was merely suggested after my agreement had been made, and I took it without any additional payment.

1696. Sir *Massey Lopes.*] Is it compulsory upon you now by your present contract to touch at Queenstown, both on the outward and homeward voyages?—Not homeward, under the contract.

1697. We understand from you that you are put to a considerable additional expense by being obliged now to touch at Queenstown outwards?—Undoubtedly.

1698. I think you mention that the distance is something like 238 miles more, comparing touching at Queenstown with going from Southampton?—Going from Southampton is the greater distance by 298 miles.

1699. By the figures you gave us, I think the additional distance is 238 miles?—Yes; the distance is 298 miles.

1700. If you computed those miles by time, what difference would it make?—That would make no very great difference; I have been down express from Dublin to Cork myself in less than four hours on a special occasion; the mails are express.

1701. I meant to ask what would be the additional cost to you of sending your vessels from Queenstown rather than from Southampton, the distance being so much greater?—I hardly know how to answer that question, because our trade is a Liverpool trade.

1702. There would be a difference in the quantity of coal burnt, and your passengers, of course, would be consuming something more in going the longer distance?—Undoubtedly.

1703. And then again you said that your risk would be considerably greater?—Undoubtedly.

1704. You mentioned a case or two in which you had experienced a great loss under the contract?—We have.

1705. Then we may take it that you consider that almost the whole amount of this subsidy, which you are now getting from the Government, is expended upon these additional matters which are now made compulsory upon you, namely, touching at Queenstown first of all?—Yes; I consider that it is all entailed by the mail service; I am satisfied (and I have told my co-owners so) that I could save every sixpence of it without these requirements.

1706. You mentioned just now that there were eight different surveys of your vessels required from you, from which foreign companies are entirely exempt?—That is so.

1707. If those did not exist, you could carry, not only your mails, but the passengers and cargoes very much cheaper, could you not?—No doubt.

1708. Supposing this contract was terminated abruptly, would you consider that you should experience any loss?—Certainly; undoubtedly I should.

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1709. Can you give us any reasons why you think you would lose?—I do not see why I should be chary of stating what I know to be a fact (my head bookkeeper is in the room, if you like to ask him), namely, that we have had 20,000*l.* loss by debit balances, on voyages in the vessels we have been obliged to run in the winter; for instance, I sent the "City of Paris" for mail requirements alone, on the 27th of January, as I told Mr. Tilley, and when the balance is struck, I am satisfied that I shall have a debit balance of 3,000 *l.* on that voyage, and others like it; nothing would have induced me to send her but this contract.

1710. This loss is occasioned by your having been compelled by the present contract to send these vessels across the Atlantic during the winter months which you otherwise would not have done?—Certainly I should not have sent them; I would have sent boats burning 30 tons of coal a day; I would have carried on the service, but I would have carried it on in a very much less efficient manner if it had not been for the contract.

1711. Therefore, I understand that you consider that not only would injury be inflicted upon you by the termination of the contract, but upon you and the company with which you are connected there would be some little reflection cast?—It may be so; I do not care much for the reflection.

1712. *Chairman.*] You have gone through too much in the last 17 years to care much for reflections, I think?—I think so.

1713. You have been the great champion of open competition as against monopoly before Committees of the House of Commons in a public capacity and in other ways?—They say so in America.

1714. You fought out the great battle for 17 years against a heavy subsidy, and I think we may congratulate you upon your success?—I am much obliged to you.

1715. You offered on the 1st of March 1858 to carry the mails for the ocean postage, did you not?—Yes.

1716. And you continued to make offers at every opportunity, and continued to protest against the mails not being offered to open competition?—Yes.

1717. Before the Committee in 1860 you stated that the payment of subsidies prevented other companies coming upon the station, and that it would be a most serious thing to your company if the mail grants which were then contemplated, were carried out?—Yes; but in the meantime it came down from a subsidy of 180,000 *l.* to less than what was the ocean postage; I maintain that I am getting less than what my ocean postage would have brought me in had it been continued.

1718. You have gained your end, and Messrs. Cunard's is not now the sole subsidised line of steamers running from England to America?—I maintain that I have gained my end in this, that the Atlantic is now an open sea upon which anybody may come; there is no advantage to anybody over others.

1719. Do you quite maintain that when you and Messrs. Cunard have got a fixed contract with a subsidy for eight years; can you still maintain that the Atlantic is an open sea?—I do.

1720. You look at it now as the owner of a subsidised line, and no longer as one of the public?—No; I do not indeed.

1721. Will you give your reason why you now regard the Atlantic as an open sea for traffic altogether?—I believe I have already given my reason to the Committee, and it is this, that the carrying of the mails will cost every sixpence of what the Post Office are going to pay for it.

1722. You put it upon this ground, that your receipts are not more than enough to pay for the extra expenditure occasioned by the contract?—Just so.

1723. Then why have you and Messrs. Cunard laid your heads together and stood out for a fixed payment, rather than accept a payment by results, as we may call it?—Because we prefer to have something settled; I cannot give any other answer. We like to know what we have got to do, and what we are going to have for doing it.

1724. But if the payment you are to receive will barely cover the expense of the work you are to perform, I do not quite understand why you should both resolutely determine not to be paid according to the work you do, without any further remuneration?—I think if you go back to my tender for the mail service for 1868, which would be in November 1867, you will find that I there put as one of the conditions of my tender, which the Post Office did not for that experimental

mental year accept, that there should be a maintenance of the full collection of letters.

1725. That the letters should be fairly shared?—Yes.

1726. And that, you conceive, was not done?—I maintain that it was not done; I maintain that by giving the Germans a Tuesday mail I had just one day's picking, instead of having four days' pickings as I had before, and that the mail service was entirely destroyed. You will see what I stated when I tendered in 1867.

1727. Referring to the letter, as quoted from the correspondence of the 22nd of November 1867, I see that you then felt yourself considerably aggrieved at Messrs. Cunard getting different terms to you?—Yes, certainly.

1728. You had tendered according to the Government requirements, and Messrs. Cunard had refused to do so?—That is so.

1729. And you thought it a hardship?—Yes.

1730. You said, "I tendered to advertisement in full faith that the Post Office had fixed the pay, and I think even now others will do it if Cunards will not"?—Yes, I did.

1731. Have you seen any reason to alter your views that others will do it now if Cunards will not?—Not as well.

1732. You said nothing about "as well" in that letter?—No, I think we might have offered a second set of vessels, but then I wish it to be remembered that the circumstances were extremely different, and that equality on the Atlantic had not then been reached.

1733. The equality had been reached at that moment, because the Cunard contract was at an end; your contract had not begun, and you had both made tenders for a fresh contract with the Admiralty, and therefore you were on equal terms?—I believe my meaning there was this, my co-owners and myself met about it, about the same time I came to London, and I wrote that letter in London; the general belief then was that Messrs. Cunard had such a good service that there was no use in tendering for the Saturday service against them, and therefore no companies tendered for the Saturday service.

1734. You see you made no qualification; you said that others would do it if Messrs. Cunard would not?—I did.

1735. I think that is only what you had said for the last 17 years almost, I may say?—It is quite right; that is so.

1736. Then you do not raise any objection to calling at Cork, but you remark that, "Our steamers are as good as Cunards', who have followed our example in screws, and in calling at Cork free, after asking 500 *l.* a trip." Therefore you had started calling at Cork free, without making any claim for the difficulty or delay of it?—I did; I had no mails, and my company was the first in the kingdom to call at Cork, but then that is not waiting at Cork.

1737. Are you building any more vessels, because you have received this subsidy?—There is one building; there is one on her first voyage now; when the contract was signed she was being built, and she has been launched since the contract was signed, and there is another now being built.

1738. Is the one now being built being built in consequence of orders given after the contract was signed or before it?—Before the contract was signed, but we have made a contract within four weeks; no, I think it is two months for improving one of those contract vessels, and the contract is for 40,000 *l.*

1739. During the 17 years, when you speak of Messrs. Cunard as being "the most highly favoured competitors," is it a fact that you were building vessels and adding to your fleet continually, until you got the large fleet you now have?—I was.

1740. Is it not really a fact with regard to English and American postage at this present time that the Americans are making use of the English Government contracts and the English Government payments to extract terms if they can from ocean steamers to do their postal service at almost nominal rates?—That is a fact, the Americans have entirely made use of the action of this country, and there is no doubt that they do think that as the British vessels are not American, and do not carry their flag, they ought to drive a harder bargain; they have the British vessels over there, and they make terms which are advantageous to themselves; they are just using our vessels to do their work.

1741. And they think as the English Post Office is going to pay, or has been

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in the habit of paying a far heavier amount than would be earned by the services rendered, they, the American Government, may as well take advantage of the Post Office regulations of the British Government to get their own postal service done very cheaply?—What the Americans do is simply this, they find British ships out there coming home again, and they say, just carry our bags.

1742. The Americans make the best bargains that they possibly can?—I think there can be no doubt of that.

1743. The English Government have not had that reputation, have they?—I think they have made an uncommonly good bargain this time.

1744. Can you honestly say that you think that the English bargains for postal services across the Atlantic upon the whole have been good ones?—Is that a question I should answer? I can only say that when the Crimean war was going on I could not get the same terms from the English Government for transports as I could from the French; and whilst a Member of the House of Commons stood up in the House and said that the English Government could not get transports, I let my steamers to the French, who were paying much higher terms for them than the English Government would.

1745. That was not a postal contract?—No, but it is an instance bearing upon the question of whether the English Government makes good bargains or not.

1746. All this evidence with respect to the eight surveys your vessels undergo is most interesting, but I do not see that those surveys have anything to do with the postal service, have they?—I think they have; I should not have mentioned them unless I thought they had.

1747. Do the Post Office require any of these surveys?—The Post Office do not actually call for those surveys; but the English vessels which are under tender are very heavily weighted as against the foreign vessels, by those requirements.

1748. If they are English vessels they have to undergo these surveys, but not in order to fulfil the requirements of the Post Office?—No, I mention it simply because a vessel under the British flag carrying the mails has to enter into the competition, heavily weighted, against the foreigners.

1749. Therefore these surveys have nothing to do with the matter before us, which is a Post Office matter; these are merely matters for carrying out the Emigration and Navigation Laws, are they not?—Yes, I do not know whether I may be allowed to make an observation upon that point; I should say that I think the Post Office ought to have these surveys; it ought to be the duty of the Post Office to see that these surveys are made in the case of all ships carrying mails.

1750. But it is not?—No, it is not; but how do you know how long your mails will go in that way.

1751. Mr. *Graves.*] Let me ask you whether the Cunard Company, having been placed upon the same footing as yourself, with regard to the homeward mails, we may calculate upon their receipts being at all like yours?—No, their receipts will be only half mine.

1752. Why is that?—From the fact that the late American Government specially asked the German Company, and my company, and the Hamburg-American Company to take the mails on Tuesdays, Thursdays, and Saturdays, and they left Cunards' out in the cold, to come on the Wednesday with one day's collection; that is no doubt why Cunard's collection homewards is less than ours. Messrs. Cunard collect only from Tuesday to Wednesday, and I collect for two days from Thursday to Saturday; and Saturday always having been the day of the old Collins line out of New York, that is of course a very heavy mail day, and the United States Government offered it to me first.

1753. Mr. *Seely.*] Your vessels bring a greater weight homewards than some of the other vessels, do they not?—I believe we do.

1754. Do you think that you bring as great a weight of mail bags homewards as you take outwards?—I think more.

1755. I think you said that you received about 12,000 *l.* for carrying the homeward mail?—No; I said we received about 9,000 *l.* last year; and as we have refused to carry the mails at the 15 cent rate, and the United States Government have agreed to pay our demand of 20 cents, I expect that it will just put up the amount to that figure.

1756. To 12,000 *l.*?—I think so.

1757. Last year you received 9,000 *l.* for bringing home a certain weight of mails, and now you are to receive 35,000 *l.* for carrying a less weight outwards?—I beg

—I beg your pardon; we are not to receive anything; the Postmaster General of the United States distinctly told our manager that he would not give us regular mails, and that we should only receive them from week to week, and we are each at the other's mercy at this moment.

1758. However, you estimate that you will receive 12,000 *l.* for the homeward service?—That is assuming that the service continues, but there is no certainty of the service continuing for a single day.

1759. But if the service should continue the probability is that you would receive about 12,000 *l.*?—I expect so.

1760. And the weight would be greater than what you would take outwards?—I think so.

1761. Therefore you would be paid 35,000 *l.* for a less weight than you would be paid 12,000 *l.* for?—I should like to make that clear. It must be remembered that my weight outwards at present is only one day's collection, while my weight homewards is two days' collection; but if a change is made in the sailing, it will be two days' collection instead of one, and that will alter these facts altogether.

1762. If the weight was less homewards, the payment would be less, would it not?—Yes, at the rate of so many cents it would.

1763. In 1866 and 1867, was not your contract with the United States for a weekly service?—No.

1764. It was not so either in the one year or the other?—No, the United States, as I said just now, started at the beginning of the year by stating how many full mails I was to carry, how many full mails the Germans were to carry, and how many full mails the Hamburg-American Company was to carry.

1765. Mr. *Graves.*] Supposing that you were not under any obligation to carry mails, how would you view the effect of the Post Office placing mails on board your vessels under the ship-letter laws?—My own opinion is that it would be a great oppression. I think it would be wresting an old Act of Parliament to do something that was never contemplated; that is my impression. I have thought a good deal about the ship-letter law, because at one time I had no mails, and I had to go under it.

1766. Do you think it would be possible to carry out the old ship-letter laws contrary to the wish of the proprietors of a line of vessels?—If they are determined that you shall not have the ship-letter bags carried by them, you will not get them carried, but I do not think that course has ever been adopted.

1767. Sir *Massey Lopes.*] You said that the United States paid you by a rate of 15 cents, producing 9,000 *l.* for the letters you carried from America, and that you were not satisfied with that?—Yes.

1768. And that you demanded 20 cents instead of 15 cents, which you estimated would produce 12,000 *l.* instead of 9,000 *l.*?—Yes, if it continues.

1769. Supposing you had no subsidy from the Government on this side, should you be able to take those letters on the same terms homewards, or would the cessation of the subsidy make any difference to you?—No, I think we should treat those letters precisely as we do now; it would not make any difference to us.

1770. The two things are perfectly independent of each other?—Yes.

1771. Then it does not follow that because you are carrying the mails under a certain contract with the British Government that you are carrying the mails for the United States Government any cheaper than you would if you had no contract with the British Government?—No.

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1772. *Chairman.*] I BELIEVE you have some papers to produce?—The Committee asked me yesterday to let them have the same Return as to the course of post from London to New York in March and August, as I had given in with regard to other towns, and you told me, in stating the course of post to take as the hours of posting for Southampton, the latest period up to which the letters can be posted on the morning of the day on which the mail goes. I have done that, and I have brought the Return (*producing the same*). I am surprised to find that even then the average is 20 hours in favour of Queenstown. Yesterday, when you questioned me, I was inclined to think that the average would be in favour of Southampton, but the Return shows that it is 20 hours

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in favour of Queenstown. I will hand in these papers. (*The same were handed in.*)

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Vide Appendix.

George Chetwynd, Esq.; Examined.

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1773 *Chairman.*] WHAT office do you hold at the Post Office?—That of Receiver and Accountant General.

1774. I suppose your calculations, in all probability, to a great extent, were the basis for the negotiations which took place about the contracts entered into in 1867 and 1868?—I have no doubt they were so.

1775. Were you the person who estimated the increase of postage that was likely to take place from the lowering of the rate from 1 *s.* to 6 *d.*?—I do not remember that calculation.

1776. There was an estimate made, and I find that these words were used with respect to it: "I should be much surprised if the correspondence does not speedily increase to the extent of 50 per cent., but I will estimate the probable increase, in the first instance, at 33 per cent. only." Would it be on your calculations that that estimate was made?—I think not.

1777. Are you answerable for this estimate of the earnings that the Cunard Company would make on their contract for the services of 1868?—Yes.

1778. You calculated, then, that they would earn 43,548 *l.* on the sea-postage rates?—May I be permitted to ask whether you are now alluding to the letter of the Duke of Montrose?

1779. Yes?—Those are not my calculations; I have very little doubt that they were framed upon information obtained from my office, but I was not in town at the time.

1780. You will find that the estimate was made that the service which the Cunard Company would undertake in that year, would be worth 90,171 *l.*?—I remember the computation; I have read the paper.

1781. Do you know what the actual earnings, at the sea-postage rates of the Cunard Company, were during the year 1868, out of the whole amount?—I can give a statement of them now.

1782. What was the outward postage which the Cunard steamers earned?—I have a statement now in my hands, "An Estimate of the Sea Postage and Gross Postage of Correspondence carried in 1868 by the Cunard Packets Outwards, and the Sea Postage on Homeward Mails, at the Rates mentioned." I show by this, that the sea postage on the outward Cunard service amounted to 34,924 *l.*

1783. That is for the outward postage only?—Yes; that is to say, taking the sea rate only.

1784. Computed at 1 *s.* an ounce for letters, and 3 *d.* per pound for papers?—It is computed at 4 *d.* per single rated letter.

1785. That is not computed at the rates of 1 *s.* an ounce for letters;—No; this is at 4 *d.* per single rated letter.

1786. The estimate on which the Duke of Montrose based his contract, was at 1 *s.* an ounce; here there are a certain number of letters, and a certain number of ounces at 1 *s.* per ounce?—I think I have it by the ounce as well; the outward sea postage amounted to 34,924 *l.*

1787. What was the homeward postage?—The homeward postage at 4 *d.* per rate for letters and 3 *d.* per pound for papers, was 26,102 *l.*

1788. Was that the money received?—No; that is at those rates, reckoning at the rate of 4 *d.* per single rated letter and 3 *d.* per pound for papers. If we had been paid those rates we should have received 26,102 *l.*, but we were not paid those rates.

1789. What were you paid?—Up to the present time we have only received three quarters' payments, but assuming that the fourth quarter would be on the average of the others, which is probably below the amount we shall receive, it would be, 9,490 *l.* only.

1790. In a later letter an estimate was made, that there would be a loss of 15,000 *l.* on account of the United States paying less than the sea postage for the conveyance of the homeward mails?—Perhaps it would be as well to take what I have here; it may save the time of the Committee. This is "An Estimate of the Sea Postage and Gross Postage of Correspondence carried in 1868 by

by the Cunard Packets Outwards, and the Sea Postage on Homeward mails, at the rates mentioned." I have a return outwards of sea rate at 4*d.*, and papers at 1 *d.* each, and books at 1½ *d.*; that is to say, papers and books at half the gross postage which is ordinarily reckoned as the sea rate. Computing at those rates, the sea postage of the outward mails comes to 34,924 *l.*

1791. Mr. *Hamilton.*] Is that taken by the Cunard packets?—Taken by the Cunard packets; taking them at the sea rate and the British Inland rate combined, I bring out the sea and British rates together as 44,963 *l.*

1792. *Chairman.*] That is giving them the whole?—This is first the sea rate, and next the British inland and sea rate combined, and in the following column I have taken the gross rate.

1793. Mr. *Seely.*] You take them at 4*d.*, 5*d.*, and 6*d.*?—I take 4*d.*, 5*d.*, and 6*d.* for letters; I take 1*d.*, 1½ *d.*, and 2*d.* for papers, and I take 1½*d.*, 2*d.*, and 3*d.* for books.

1794. *Chairman.*] What is the third column?—The gross postage outwards, which amounted to 55,169 *l.*, and homeward—taking the letters at 4*d.* per single rated letter, and taking the papers of all kinds at 3*d.* per pound—the sea postage was 26,102 *l.*; adding the sea postage outwards and homewards together, brings out a total of 61,026 *l.*: from that, however, I must deduct 16,612 *l.*, loss or difference between the postage at the rates I have named upon the homeward voyages, and the amount we have actually received or expect to receive through Messrs. Cunard for the carriage of the homeward mails; so that the result is about 44,414 *l.*, that being the sea postage on the Cunard steamers out and home for the year; the cost of the packets during the year was 80,000 *l.*, out and home; the difference or loss therefore was 35,586 *l.*; if we use the sea postage only as a measure of the loss.

1795. And that you may calculate as the terms upon which Messrs. Inman contracted, using the sea postage only of 1*s.* an ounce?—No, there is a little difference; the sea rate is 4*d.* per single rated letter; a shilling an ounce assumes roughly that there are three letters to the ounce, but practically there are rather more than three, about three and a third; the loss at 1 *s.* an ounce would be rather greater; the result of applying the sea postage to the Cunard packets out and home is to show a loss of 35,586 *l.*; taking the sea rate and the British inland rate together, and deducting them from the 80,000 *l.* paid to the Cunard Company, the loss would be 25,547 *l.*; deducting the gross postage from the contract payment to Messrs. Cunard, the loss would be 15,341 *l.*

1796. Have you also there what the Inman Company earned under their contract of 1868?—Yes; the Inman Company earned 22,774 *l.*

1797. And the North German Lloyd's?—The North German Lloyd's earned 11,710 *l.*

1798. Then there was something that the Bremen Company earned?—The Hamburg-American Company earned 5,154 *l.*

1799. Then how do you get your estimate of 112,000 *l.* applicable to the postage to meet these three contracts of 105,000 *l.* It was estimated that these contracts, under the present terms, are to be self-supporting; in fact, there was an estimate for postage of 112,000 *l.* to meet the payments of 105,000 *l.*?—That was the gross postage. Mr. Scudamore put in an estimate yesterday of the gross postage; I have got a copy of it in my hand; I will read it; it is very short; it is 113,979 *l.* I may just make one further observation, and that is, that the gross postage homewards and the gross postage outwards are assumed to correspond for the year, but seeing that we equally divide the postage on international letters with the United States, and seeing that the United States mails homewards are heavier than the outward mails, we gain something by that. We divide all the postage with them, and the homeward mail is rather heavier than the outward. I have got in my hand an estimate showing the probable division of postage for the year. I beg that it may be understood that these are not actual statements made from accounts, they are estimates based on the best materials we can get at the present time in the absence of the accounts themselves, which are incomplete. This is an estimate of the gross postage derived by the United Kingdom under the convention with the United States during the year 1868. I have divided it into outwards and homewards, I have shown the gross postage collected, and the British share of that postage, and whereas in the statement Mr. Scudamore put in yesterday, the gross postage was shown at 113,979 *l.*, assuming that we took for our share the outward mail only, this

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estimate of an equal division of the international and transit correspondence shows the British share of the gross postage to be 123,717 *l.*

1800. Then that raises your estimate?—Yes, the fact is we get rather more from the United States than they get from us. The United States mail homewards is about 1-6th heavier, so far as letters are concerned, than the outward mail, and as we divide the postage with the States, we get rather more than we should get if we took the outward mail as our share.

1801. You include the postage received for the German lines as well as the others?—This includes everything.

1802. And therefore the whole of that would not be applicable to the three contracts from Liverpool?—The whole of this would be applicable, if it were thought proper, to the whole of the contracts.

1803. But supposing it were not thought proper to have a contract with the German line?—The postage, I take it, will be much the same whether we have the contract with the German line or not.

1804. Do you mean that there would be as many letters coming with a three-days a week post as with a four?—I think it is highly probable.

1805. Mr. *Seely*.] What was our half of the postage?—Our share of the postage out and home will be 123,717 *l.*

1806. What is the postage to America now out of that 123,717 *l.*?—I will look for that figure.

1807. Ours is 113,000 *l.*, is not it, according to the estimate?—Roughly, the outward correspondence may be taken as being 114,000 *l.*

1808. And how much is it inwards?—I have not got it in that shape; the estimate will not enable me to give it to you quite like that.

1809. There must be therefore a very much larger postage from than to the United States?—It is about one-sixth more from the United States; I speak of letters.

1810. Have you then charged 6 *d.* a letter from the United States in your calculation?—I take the gross postage both ways, because we divide it thus: if we send a letter from England to the United States the postage is 6 *d.*; of that 6 *d.* we have to give the United States credit for 3 *d.* If the United States sent us a letter on which the postage is 6 *d.*, they have to credit us with 3 *d.* If there were only one letter going from here we ought to send them 3 *d.*, but as America sends to England a great many letters on which we have a claim against them of 3 *d.* each, they would credit us with the 3 *d.* on their side, and we should credit them with the 3 *d.* on our side. We do not exchange the threepences.

1811. Mr. *Hamilton*.] A statement is sent in, bearing your signature, which does not quite correspond with what you have stated; will you look at that statement, and see whether you recognise it (*handing a paper to the Witness*)?—Yes, this was mine, made on the 19th January.

1812. These figures do not correspond with those you have given us to-day?—No, because these were all we knew at the time; the accounts have been collected since that time.

1813. It does not state that that is an estimate, does it?—This statement is dated the 19th of January; that would be before the accounts could be made up.

1814. It is called, "Return showing the Total Amount of Sea Postage on Correspondence despatched to the United States in each Quarter of the Year by Messrs. Cunard, showing also the Sums received"; this is not an estimate, it is a statement of things actually received; a computation made up on the 1st of January ought not to differ from one made up on the 21st of March?—It could not be anything else but an estimate.

1815. It is not so stated here?—No.

1816. It was nothing but an estimate, in fact, then?—No, it was nothing but an estimate; that shows the rates at with the computations were made.

1817. It may be that, in these figures you have given us, you have taken three and a third letters to the ounce?—No, I have taken the rates I have stated, namely, 1 *s.* an ounce.

1818. Taking it at 1 *s.* an ounce would not affect the question of the discrepancy at all?—No, these are taken at 1 *s.* an ounce.

1819. And those you have given are taken at 1 *s.* an ounce?—These which I have just given are taken both ways.

1820. The figures you have just read to the Committee are figures resulting from

from a computation at 4 *d.* a letter?—I have got it both ways on the same paper, 4 *d.* a letter and 1 *s.* an ounce.

1821. *Chairman.*] These papers you have been reading from, you will put in to be printed in the Appendix?—Yes, I will put them in. (*The same were handed in.*)

Vide Appendix.

1822. Mr. *Hamilton.*] Can you explain the discrepancy to which I have called your attention?—The Return you have before you, made in January last, showed Mr. Inman's earnings to be 23,390 *l.*; subsequent corrections have brought them down to 22,774 *l.*; I think it is also stated on the January Return that part of it is based on an estimate. Permit me to look at that Return. (*The January Return was handed to the Witness.*) It says, "The accounts for this quarter are partly the result of estimates."

1823. Where is that?—That is at the bottom; it is the last quarter; of course on the 19th January we could not have had all the Returns up to the 31st of December; it was not possible.

1824. Then that will be the explanation?—Yes; I admit at once that that ought to have been headed an estimate.

1825. Mr. Inman when he was here stated that the receipts of his company were only 22,000 *l.*; what is the explanation of that discrepancy?—I have got the sea postage as 22,775 *l.*; if you desire it I can show you what the difference is between the postage computed at the ounce, and the postage collected; I do not mean to say that this is actual, but it is the best estimate we can frame, assuming that there are three and a third letters to the ounce.

1826. Have you ever made any calculation of what the actual cost to the Post Office is upon these inward mails. The service rendered is less than is rendered in the case of an inland letter, because there is no cost of distribution to the individual?—I think not, but I am not sure that I catch the idea.

1827. The cost of an inland letter is 1 *d.*, which covers the expense of receipt and individual distribution?—Yes.

1828. You take 1 *d.* off the gross postage, in order to get the sea postage?—Yes.

1829. But it is quite clear that that 1 *d.* does not represent all the services which are conferred by the Post Office in the case of an inland letter, because there is no individual distribution. Have you ever been asked to make a calculation of what the actual cost at the Post Office is per letter upon those which are sent seawards?—I do not think I ever have been asked to do it. I quite understand your question, but I do not remember having been asked to make such a calculation, and I do not remember having made such a calculation.

1830. If we take the gross postage, it is quite clear that the Post Office will be rendering service without remuneration?—Quite so.

1831. Therefore I want to arrive, if possible, at the actual amounts out of pocket in the case of those sea-borne letters?—I may answer you generally in this way: supposing the United States were submerged, and there was no such thing as a postal route to the United States, I very much doubt whether the inland post office could save anything of its cost by that fact; it would save all these subsidies of course, but it could not reduce a single postmaster; it could not reduce its establishment of clerks, except perhaps one or two at Liverpool; it could not reduce its letter carriers, because they are so spread all over the country that you could not make any reduction in them in consequence of the abolition of the American mails; it would make no difference, or but a very slight one.

Mr. *Scudamore.*] I can give the Committee one piece of information with regard to the cost of an inland letter.

1832. Mr. *Hamilton.*] Including personal distribution?—Yes, we have made calulations from time to time of the average cost of collecting, transmitting, and distributing an inland letter, and we believe it to be about $\frac{3}{4}$ *d.* as near as possible.

Mr. *Chetwynd.*] There certainly are some special items of cost in regard to the American letters; for instance, we have special trains through Ireland to carry the letters to Queenstown and bring them from Queenstown, and we should save those, no doubt, if the letters did not go; but those are very trifling expenses compared with the whole cost of distribution.

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1833. Sir *Massey Lopes*.] You are the head of the office, the Receiver and Accountant General, are you not?—Yes.

1834. How is it that we have two estimates here before us; one which has been alluded to by the Honourable Member for Salisbury, and the other one which you have brought before the Committee; has that estimate which has been brought before the Committee just now emanated from you?—May I ask if you mean the printed estimate?

1835. I mean the one which the Honourable Member opposite has just alluded to; where did that estimate come from; did it come from the same office, and are you responsible for both these estimates?—Yes, clearly, if you allude to the printed estimate.

1836. Do we rightly understand that your estimate for the whole of the amount received from postage is about 123,000 *l.*, and that we are now paying under contract 105,000 *l.*?—The cost of the contracts is 105,000 *l.*; I have two estimates before me of the result of the postage; one framed upon the supposition that the outward and homeward mails are of like value, which is not quite the fact, and is rather unfavourable to us; the other framed upon the best distribution we could make of the postage collected in the United States, giving us one-half, and we giving the United States one-half of what we collect.

1837. That division of postage amounts to 123,000 *l.*, does it?—The division of the postage amounts to 123,717 *l.* for our share; the gross amount of outward postage, according to the estimate which Mr. Scudamore put in yesterday, was 113,000 *l.*

1838. And you are not in that estimate taking the benefit of the additional one-sixth which you say may be considered as derivable from the homeward postage over and above the outward?—Yes; that is part of the 123,000 *l.*; that is one principal cause of the difference.

1839. Mr. *Greaves*.] There are no establishment charges included?—No, these are mere calculations of the postage; the computation of the establishment is not included at all in them.

1840. Sir *Massey Lopes*.] Can you give us any idea as to whether these postal receipts are likely to increase in the course of two or three years?—I think it is highly probable that they will, judging from the past. I have an estimate here showing what the increases have been. I have not checked this, so that I am not supposed to put it in; but you may take it for what it is worth. I have every reason to believe that it is accurate; but I have not checked it myself, and I am not sure about it. You can take it now, and I can have it checked if the Committee think it proper.

1841. It has been made up in your office?—Yes, and very carefully made up; I have no reason to doubt its accuracy in any way.

1842. Give us the result of it, if you please?—The increase in 1868 over 1863 was 98 per cent.; the annual average increase was more than 19 per cent.

1843. Mr. *Greaves*.] Out and home?—Yes, out and home, both ways.

1844. *Chairman*.] Was not 1863 the height of the American war; it is of no use having illusory figures put down?—It did not strike me that it was so; we happened to have a Return for 1863. We used to take Returns as we required them; I now have Returns of 1863, 1865, 1866, 1867, and 1868; I can give the results of each.

1845. Give them in that way, because it is quite illusory to take a time when the South was completely closed?—I proposed to give you the annual average increase.

1846. That is far better?—The annual average increase over the years I have mentioned was rather over 19 per cent., out and home.

1847. Will you give us the increase from 1863 to 1864, and from 1864 to 1865, and so on, giving the increase year by year, then we shall be able to judge for ourselves?—I can give you the figures roundly, if you will permit me: in 1863, the estimated number of international letters, out and home, was 2,461,000; in 1865, 3,367,000, showing an increase in 1865 over 1863, of rather over 36 per cent.; in 1866, the number was 4,066,000, the increase over the previous year being rather over 20 per cent.; in 1867, the number was 3,916,000, a decrease of rather over three per cent.; three and seven-tenths, in fact; in 1868, the number was 4,875,000, and the increase of 1868 over 1867 was 24½ per cent., or I will say rather better than 24 per cent., as I am giving them in round numbers.

1848. Mr. *Seely*.] Did not the reduction of postage commence on the 1st of January 1868?—Yes.

1849. It was 6 *d.* for 1868, and 1 *s.* for 1867?—It was.

1850. Sir *Massey Lopes*.] Can you account for the amount being smaller in 1867 than in 1866; was there any reason?—I am not aware of the cause; in fact, I have not had time to go into this at all. There was a decrease in 1867 compared with 1866, undoubtedly.

1851. Mr. *Seely*.] In this gross estimate we must bear in mind that there is 2 *d.*, 1 *d.* which goes to the United States, and 1 *d.* to this country for the inland postage?—Yes, in the gross there is.

1852. And, therefore, if you deduct one-third from the 113,979 *l.* which Mr. Scudamore has estimated it at, it would only leave 75,986 *l.* for the sea postage proper?—Somewhere thereabouts; I can give you the amount collected, if you like: 80,719 *l.* was the amount collected; that is to say, that is the estimated amount collected for sea postage on the outward mail.

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APPENDIX.

Appendix, No. 1.

PAPERS handed in by Mr. *Pearson Hill*, 17th March 1869.

(A.)

STATEMENT showing Performances of the STEAMERS conveying the MAILS to *America*, since 1st January 1869.

Name of Steamer.	Line.	Port of Departure.	Date of Departure.	Arrival at New York.	Arrival at Boston.	Length of Passage.
						D. H. M.
Cuba - -	Cunard -	Queenstown -	3 Jan. 5.22 p.m.	16 Jan. 9.42 a.m.	- - -	12 16 20
New York -	North German Lloyd.	Southampton	5 „ 3.45 p.m.	18 „ 2.0 a.m.	- - -	12 10 15
Tripoli - -	Cunard -	Queenstown -	6 „ 5.10 p.m.	- - -	18 Jan. 6.10 p.m.	12 1 0
City of Antwerp	Inman - .	- ditto -	7 „ 4.40 p.m.	18 Jan. 1.30 p.m.	- - -	10 20 50
Java - -	Cunard -	- ditto -	10 „ 3.30 p.m.	20 „ 11.20 a.m.	- - -	9 19 50
Deutschland -	North German Lloyd.	Southampton	12 „ 2.30 p.m.	24 „ 11.25 p.m.	- - -	12 8 55
Palmyra - -	Cunard -	Queenstown -	13 „ 4.12 p m.	- - -	28 Jan. 3.15 p.m.	14 23 3
City of London -	Inman -	- ditto -	14 „ 5.0 p.m.	28 Jan. 6.18 a.m.	- - -	13 13 18
Australasian -	Cunard -	- ditto -	17 „ 4.0 p.m.	29 „ 6 58 a.m.	- - -	11 14 58
Donau - -	North German Lloyd.	Southampton	19 „ 3.0 p.m.	31 „ 11.30 a.m.	- - -	11 20 30
Hecla - -	Cunard -	Queenstown -	20 „ 4.25 p.m.	- - -	5 Feb. 8.30 a.m.	15 16 5
City of Baltimore	Inman - -	- ditto -	21 „ 4.14 p.m.	* 8 Feb. 2.55 p.m.	- - -	17 22 41
Russia - -	Cunard -	- ditto -	24 „ 4.10 p.m.	5 „ 10.9 a.m.	- - -	11 17 59
America - -	North German Lloyd.	Southampton	26 „ 2.30 p.m.	8 „ 6.25 a.m.	- - -	12 15 55
Siberia - -	Cunard -	Queenstown -	27 „ 5.0 p.m.	- - -	8 Feb. 10.45 a.m.	11 17 45
City of Paris -	Inman - -	- ditto -	28 „ 5.0 p.m.	8 Feb. 6.30 a.m.	- - -	10 13 30
China - -	Cunard -	- ditto -	31 „ 11.30 p.m.	11 „ 6.45 p.m.	- - -	10 19 15
Bremen - -	North German Lloyd.	Southampton	2 Feb. 3.45 p.m.	15 „ 10.0 p.m.	- - -	13 6 15
Aleppo - -	Cunard -	Queenstown -	3 „ 4.50 p.m.	- - -	16 Feb. 3.20 p.m.	12 22 30
City of New York	Inman - -	- ditto -	4 „ 5.55 p.m.	16 Feb. 11.35 p.m.	- - -	12 5 40
Cuba - -	Cunard -	- ditto -	8 „ 11.21 a.m.	22 „ 9.0 a.m.	- - -	13 21 39

* Put into Halifax short of coal.

(B.)

RETURN showing the Time occupied in the VOYAGES from *Southampton* and *Queenstown* to *New York* and *Boston* by different Lines of MAIL PACKETS since the beginning of 1869; taking the Time of Arrival as stated in the "Times" Newspaper.

	Name of Vessel.	Left Port of Departure.	Reached United States.	Time Occupied in Voyage.
		(About 4 p.m.)		*Days.*
Cunard (Sunday)	Cuba	Q. 3 Jan. 1869	New York, 16 Jan., 6 a.m.	12 ½
North German Lloyd		S. 5 „ „	„ 18 „ 2 a.m.	12 ½
Cunard (Wednesday)	Tripoli	Q. 6 „ „	Boston 18 „ 5 p.m.	12
Inman	City of Antwerp	Q. 7 „ „	New York 18 „ 1 p.m.	11
Hamburg-American *		S. 8 „ „	„ 20 „ 2 a.m.	11 ½
Cunard (Sunday)	Java	Q. 10 „ „	„ 20 „ 10 a.m.	9 ¾
North German Lloyd	Deutschland	S. 12 „ „	„ 24 „ 10 p.m.	12 ½
Cunard (Wednesday)	Palmyra	Q. 13 „ „	Boston 28 „ noon	15
Inman	City of London	Q. 14 „ „	New York 28 „ 6 a.m.	13 ½
Hamburg-American		S. 15 „ „	„ 28 „ 2 p.m.	13
Cunard (Saturday)	Australasia	Q. 17 „ „	„ 29 „ -	12
North German Lloyd	Donau	S. 19 „ „	„ 31 „ 11 a.m.	11 ¾
Cunard (Wednesday)	Hecla	Q. 20 „ „	Boston 5 Feb. 8.30 a.m.	16
Inman	City of Baltimore	Q. 21 „ „	New York 8 „ -	18
Hamburg-American		S. 22 „ „	„ 5 „ 2 a.m.	13 ½
Cunard (Saturday)	Russia	Q. 24 „ „	„ 5 „ 7 p.m.	12
North German Lloyd	America	S. 26 „ „	„ 8 „ 5 a.m.	12 ½
Cunard (Wednesday)	Siberia	Q. 27 „ „	Boston 8 „ 8 a.m.	11 ½
Inman	City of Paris	Q. 28 „ „	New York 8 „ 7 a.m.	10
Hamburg-American		S. 29 „ „	„ 10 „ 7 a.m.	11 ½
Cunard (Saturday)	China	Q. 31 „ „	„ 11 „ 4 p.m.	11
North German Lloyd	Bremen	S. 2 Feb. „	„ 15 „ 9 p.m.	13 ¼
Cunard (Wednesday)	Aleppo	Q. 3 „ „	Boston 16 „ 11 a.m.	12 ½
Inman	City of New York	Q. 4 „ „	New York 16 „ 11 p.m.	12 ¼
Hamburg-American		S. 5 „ „	„ 21 „ -	16
Cunard (Saturday)	Cuba	Q. 8 „ „	„ 22 „ -	14
North German Lloyd	Main	S. 9 „ „	„ 22 „ 4 p.m.	13
Cunard (Wednesday)	Tarifa	Q. 10 „ „	Boston 24 „ 3 p.m.	14
Inman	City of Antwerp	Q. 11 „ „	New York, 24 „ 11 a.m.	12 ¾
Cunard (Sunday)	Samaria †	Q. 14 „ „	„ 27 „ 1 p.m.	12 ¾
North German Lloyd	Weser	S. 16 „ „	„ 28 „ 6 a.m.	11 ½
Cunard (Wednesday)	Java †	Q. 17 „ „	Boston 27 „ 8 a.m.	9 ½
Inman	City of London	Q. 18 „ „	New York, 2 Mar. 7 a.m.	11 ½
Cunard (Sunday)	Australasian	Q. 21 „ „	„ 3 „ 11 p.m.	10 ¼
North German Lloyd	New York	S. 23 „ „	„ 9 „ 11 a.m.	13 ½
Cunard (Wednesday)	Tripoli	Q. 24 „ „	Boston 10 „ -	14
Inman	City of Brooklyn	Q. 25 Feb. „	New York, 10 „ -	13

* The Hamburg American Company's vessels now touch at Havre instead of Southampton; but in the above table the time at which, if carrying the English mails, they would have called at Southampton has been inserted.

† These two vessels were transposed, the slow vessel being placed on the Sunday line, and the quick vessel on the Wednesday. *See* Postal Circular, 8th and 15th February.

(C.)

RETURN showing the Total Amount of SEA POSTAGE* on CORRESPONDENCE despatched to the UNITED STATES during each Quarter of the Year 1868, by the CUNARD, INMAN, NORTH-GERMAN LLOYD, and HAMBURGH-AMERICAN LINES of PACKETS, respectively; showing also, the SUMS received by Messrs. *Cunard*, up to the present Date, for conveyance of the HOMEWARD MAILS.

Quarter ended	Line of Packets.				
	Cunard.		Inman.	North German Lloyd.	Hamburgh-American.
	Outward.	Homeward.			
	£.	£.	£.	£.	£.
31 March 1868 -	7,418	3,074	6,161	2,967	935
30 June 1868 - -	6,887	1,840	5,771	2,777	1,704
30 September 1868 -	6,712	2,204	5,549	2,808	1,745
31 December 1868 † -	7,669	- -	5,909	3,220	773‡
TOTAL - - - £.	28,686	- -	23,390	11,772	5,157

* Computed at 1 *s.* per oz. for letters; 3 *d.* per lb. for papers; 5 *d.* per lb. for books.

† The amounts for this quarter are partly the result of estimates. The particulars of the closed mails forwarded in transit through the United Kingdom during the month of December have not yet been received from the United States Post Office.

‡ The contract with this company terminated on the 31st October 1868.

19 January 1869.

Geo. Chetwynd,
Receiver and Accountant General.

Appendix, No. 2.

Appendix, No. 2.

PAPERS handed in by Mr. *Andrew Duncan*, 17 March 1869.

Passages of Mail Steamers.

	Line.	Actual Length of Passage from Queenstown and Southampton respectively to New York.			Passage calculated for all the Steamers from Queenstown.		
1868:		*Days.*	*hrs.*	*mins.*	*Days.*	*hrs.*	*mins.*
January	Cunard	11	10	22	11	10	22
	Inman	11	20	48	11	20	48
	Hamburg	12	8	7	11	10	7
	Bremen	12	20	0	11	22	0
February	Cunard	11	2	37	11	2	37
	Inman	11	22	22	11	22	22
	Hamburg	9	14	0	8	16	0
	Bremen	12	12	52	11	14	52
March	Cunard	11	4	28	11	4	28
	Inman	11	22	16	11	22	16
	Hamburg	12	4	45	11	6	45
	Bremen	12	17	16	11	19	16
April	Cunard	10	20	12	10	20	12
	Inman	11	7	47	11	7	47
	Hamburg	13	8	30	12	10	30
	Bremen	11	17	48	10	19	48
May	Cunard	9	10	55	9	10	55
	Inman	10	11	0	10	11	0
	Hamburg	11	17	54	10	19	54
	Bremen	11	15	41	10	17	41
June	Cunard	9	5	30	9	5	30
	Inman	9	16	22	9	16	22
	Hamburg	10	12	18	9	14	18
	Bremen	10	20	6	9	22	6
July	Cunard	9	0	48	9	0	48
	Inman	9	13	46	9	13	46
	Hamburg	10	7	42	9	9	42
	Bremen	10	14	18	9	16	18
August	Cunard	9	4	33	9	4	33
	Inman	10	2	27	10	2	27
	Hamburg	11	12	15	10	14	15
	Bremen	11	17	22	10	19	22
September	Cunard	8	14	45	8	14	45
	Inman	9	9	33	9	9	33
	Hamburg	9	23	15	9	1	15
	Bremen	10	12	51	9	14	51
October	Cunard	10	1	37	10	1	37
	Inman	10	10	55	10	10	55
	Hamburg	11	4	30	10	6	30
	Bremen	11	17	37	10	19	37
November	Cunard	9	22	54	9	22	54
	Inman	10	0	5	10	0	5
	Hamburg	10	11	0	9	13	0
	Bremen	10	19	30	9	21	30
December	Cunard	11	17	30	11	17	30
	Inman	13	11	44	13	11	44
	Hamburg	12	21	30	11	23	30
	Bremen	12	22	57	12	0	57

CUNARD'S FOUR FASTEST STEAMERS against HAMBURG COMPANY'S FOUR FASTEST STEAMERS.

CUNARD STEAMERS.				HAMBURG COMPANY'S STEAMERS.			
1868:		Days.	hrs.	1868:		Days.	hrs.
January	Russia	9	14	February	Cimbria	9	12
	Java	9	19				
February	Cuba	9	22	March	Cimbria	10	8
	Russia	10	20				
March	Java	12	3	April	Hammonia	11	16
	Cuba	10	16				
April	Russia	11	19	May	Cimbria	10	12
	Scotia	9	20		Hammonia	10	10
	Java	10	18				
May	Russia	9	4	June	Holsatia	9	17
	Scotia	8	13		Cimbria	10	4
	Java	10	7				
	Cuba	9	12				
				July	Hammonia	9	21
June	Russia	8	22		Holsatia	9	7
	Scotia	8	17		Cimbria	10	7
July	Cuba	9	2				
	Java	9	0	August	Hammonia	10	7
	Scotia	8	20				
August	Russia	8	18	September	Holsatia	9	13
	Cuba	9	16		Cimbria	10	1
	Java	8	22		Westphalia	9	6
	Scotia	9	17		Hammonia	10	15
September	Russia	8	11				
	Cuba	8	19	October	Holsatia	10	7
	Java	8	15		Cimbria	11	4
					Westphalia	10	5
October	Scotia	9	23				
	Russia	9	14				
	Cuba	10	0	November	Hammonia	11	5
					Holsatia	9	8
November	Java	9	19				
	Scotia	9	6				
	Russia	8	15	December	Cimbria	12	0
	Cuba	10	21		Westphalia	10	23
December	Java	10	22				
	Russia	10	21				
34 Voyages		330	14	22 Voyages		226	21
Average Voyage from Queenstown to New York		9	17	Average Voyage from Southampton to New York		10	7
				Or, Deducting for Difference of Distance between Southampton and Queenstown		0	20
						9	11

CUNARD STEAMERS.				HAMBURG COMPANY'S STEAMERS.			
1868:		Days.	min.	1868:		Days.	min.
January	Russia	9	0	February	Cimbria	9	0
	Java	9	5				
February	Cuba	9	0	March	Cimbria	10	0
	Russia	10	0				
March	Java	12	0	April	Hammonia	11	0
	Cuba	10	0				
April	Russia	11	30	May	Cimbria	10	0
	Scotia	9	10		Hammonia	10	0
	Java	10	40				
May	Russia	9	0	June	Holsatia	9	0
	Scotia	8	30		Cimbria	10	30
	Java	10	0				
	Cuba	9	0				
				July	Hammonia	9	30
June	Russia	8	30		Holsatia	9	30
	Scotia	8	30		Cimbria	10	0
July	Cuba	9	30				
	Java	9	30	August	Hammonia	10	0
	Scotia	8	30				
August	Russia	8	0	September	Holsatia	9	30
	Cuba	9	30		Cimbria	10	30
	Java	8	30		Westphalia	9	30
	Scotia	9	30		Hammonia	10	30
September	Russia	8	30				
	Cuba	8	30	October	Holsatia	10	30
	Java	8	30		Cimbria	11	30
					Westphalia	10	0
October	Scotia	9	30				
	Russia	9	0				
	Cuba	10	30	November	Hammonia	11	0
					Holsatia	9	0
November	Java	9	30				
	Scotia	9	30				
	Russia	8	30	December	Cimbria	12	0
	Cuba	10	30		Westphalia	10	30
December	Java	10	30				
	Russia	10	30				
34 Voyages		330	25	22 Voyages		226	0
Average Voyage from Queenstown to New York		9	21	Average Voyage from Southampton to New York		10	30
				Or, Deducting for Difference of Distance between Southampton and Queenstown		0	0
						9	30

Appendix, No. 3.

PAPERS handed in by Mr. *Scudamore*, 19 March 1869.

Appendix, No. 3.

RETURN showing the Course of Post from *Manchester*, *Bristol*, *Hull*, *Glasgow*, *Cork*, *Belfast*, *Limerick*, and *Waterford*, to *New York*, viâ *Queenstown*, and viâ *Southampton*, in the Months of March and August 1868.

SUMMARY.

TOWN.	Month.	Course of Post to New York, *viâ* Queenstown. D.	H.	M.	Course of Post to New York, *viâ* Southampton. D.	H.	M.	Difference in favour of Queenstown. D.	H.	M.
Manchester	March	12	6	25	13	5	47	0	23	22
	August	10	8	55	12	8	38	1	23	43
		22	15	20	25	14	25	2	23	5
	Average	11	7	40	12	19	12½	1	11	32½
Bristol	March	12	10	30	13	5	47	0	19	17
	August	10	13	0	12	8	38	1	19	38
		22	23	30	25	14	25	2	14	55
	Average	11	11	45	12	19	12½	1	7	27½
Hull	March	12	11	55	13	7	46	0	19	51
	August	10	14	25	12	10	38	1	20	13
		23	2	20	25	18	24	2	16	4
	Average	11	13	10	12	21	12	1	8	2
Glasgow	March	12	11	10	13	10	32	0	13	22
	August	10	13	40	12	12	30	1	22	50
		23	0	50	25	23	2	2	12	12
	Average	11	12	25	12	23	31	1	6	6
Cork	March	11	15	25	13	16	47	2	1	22
	August	9	17	55	12	19	38	3	1	43
		21	9	20	26	12	25	5	3	5
	Average	10	16	40	13	6	12½	2	13	32½
Belfast	March	12	7	50	13	13	22	1	5	32
	August	10	10	20	12	16	13	2	5	53
		22	18	10	26	5	35	3	11	25
	Average	11	9	5	13	2	47½	1	17	42½
Limerick	March	12	6	10	13	19	15	1	13	5
	August	10	8	40	12	19	28	2	10	48
		22	14	50	26	14	43	3	23	53
	Average	11	7	25	13	7	21½	1	23	56½
Waterford	March	12	8	40	13	15	51	1	7	11
	August	10	11	36	12	18	43	2	7	7
		22	20	16	26	10	34	3	14	18
	Average	11	10	8	13	5	17	1	19	9
London	March	12	10	25	12	19	2	0	8	37
	August	10	12	55	11	21	55	1	9	0
		22	23	20	24	16	57	1	17	37
	Average	11	11	40	12	8	28½	0	20	48½

MANCHESTER.

	Date of Despatch.	Latest Time for Posting.	Date of Arrival at New York. Day.	Hour.	Period of Transmission. D.	H.	M.	Name of Packet.
MARCH:								
Viâ Queenstown -	February 29	10 p.m. -	March - 13	8.16 a.m.	12	10	16	Siberia.
	March - 4	- -	„ 19	11.50 p.m.	15	1	50	City of London.
	„ 7	- -	„ 20	6.50 „	12	20	50	Java.
	„ 11	- -	„ 24	1.15 a.m.	12	3	15	City of Baltimore.
	„ 14	- -	„ 26	7.5 „	11	9	5	China.
	„ 18	- -	„ 30	7.30 p.m.	11	21	30	City of Boston.
	„ 21	- -	April - 2	7.10 a.m.	11	9	10	Cuba.
	„ 25	- -	„ 6	4.58 p.m.	11	18	58	City of Antwerp.
	„ 28	- -	„ 9	8.52 a.m.	11	10	52	Australasian.
				9)	110	9	46	
			Average - - -		12	6	25	
Viâ Southampton -	March - 2	10 p.m. -	March - 17	7.0 p.m.	14	21	0	Hermann.
	„ 5	- -	„ 20	4.30 „	14	18	30	Germania.
	„ 9	- -	„ 24	2.0 „	14	16	0	New York.
	„ 12	- -	„ 25	5.0 „	12	19	0	Allemannia
	„ 16	- -	„ 28	5.0 a.m.	11	7	0	Union.
	„ 19	- -	„ 31	8.0 „	11	10	0	Cimbria.
	„ 23	- -	April - 4	11.30 p.m.	12	1	30	Hansa.
	„ 26	- -	„ 9	5.30 a.m.	13	7	30	Saxonia.
	„ 30	- -	„ 13	9.30 p.m.	13	23	30	Bremen.
				9)	119	4	0	
			Average - - -		13	5	47	
AUGUST:								
Viâ Queenstown -	August - 1	10 p.m. -	August 11	9.25 a.m.	9	11	25	Russia.
	„ 5	- -	„ 17	8.10 p.m.	11	22	10	City of Boston.
	„ 8	- -	„ 18	1.37 „	9	15	37	China.
	„ 12	- -	„ 23	4.55 „	10	18	55	City of Antwerp.
	„ 15	- -	„ 26	8.30 a.m.	10	10	30	Cuba.
	„ 19	- -	„ 29	7.30 „	9	9	30	City of Paris.
	„ 22	- -	September 1	2.25 p.m.	9	16	25	Java.
	„ 26	- -	„ 7	10.30 a.m.	11	12	30	City of London.
	„ 29	- -	„ 9	9.13 „	10	11	13	Scotia.
				9)	93	8	15	
			Average - - -		10	8	55	
Viâ Southampton -	August - 3	10 p.m. -	August 17	7.30 a.m.	13	9	30	New York.
	„ 6	- -	„ 19	9.0 „	12	11	0	Saxonia.
	„ 10	- -	„ 22	3.20 „	11	5	20	Deutschland.
	„ 13	- -	„ 25	1.0 „	11	3	0	Hammonia.
	„ 17	- -	„ 30	3.0 „	12	5	0	Hansa.
	„ 20	- -	September 2	11.0 „	12	13	0	Germania.
	„ 24	- -	„ 6	3.15 p.m.	12	17	15	America.
	„ 27	- -	„ 10	3.0 a.m.	13	5	0	Allemannia.
				8)	98	21	5	
			Average - - -		12	8	38	

BRISTOL.

	Date of Despatch.	Latest Time for Posting.	Date of Arrival at New York. Day.	Hour.	Period of Transmission.	Name of Packet.
					D. H. M.	
MARCH:						
Viâ Queenstown -	February 29	5.55 p.m.	March - 13	8.16 a.m.	12 14 21	Siberia.
	March - 4	- -	„ 19	11.50 p.m.	15 5 55	City of London.
	„ 7	- -	„ 20	6.50 „	13 0 55	Java.
	„ 11	- -	„ 24	1.15 a.m.	12 7 20	City of Baltimore.
	„ 14	- -	„ 26	7.5 „	11 13 10	China.
	„ 18	- -	„ 30	7.30 p.m.	12 1 35	City of Boston
	„ 21	- -	April - 2	7.10 a.m.	11 13 15	Cuba.
	„ 25	- -	„ 6	4.58 p.m.	11 23 3	City of Antwerp.
	„ 28	- -	„ 9	8.52 a.m.	11 14 57	Australasian.
				9)	111 22 31	
			Average - - -		12 10 30	
Viâ Southampton -	March - 2	10.0 p.m.	March - 17	7.0 p.m.	14 21 0	Hermann.
	„ 5	- -	„ 20	4.30 „	14 18 30	Germania.
	„ 9	- -	„ 24	2.0 „	14 16 0	New York.
	„ 12	- -	„ 25	5.0 „	12 19 0	Allemannia.
	„ 16	- -	„ 28	5.0 a.m.	11 7 0	Union.
	„ 19	- -	„ 31	8.0 „	11 10 0	Cimbria.
	„ 23	- -	April - 4	11.30 p.m.	12 1 30	Hansa.
	„ 26	- -	„ 9	5.30 a.m.	13 7 30	Saxonia.
	„ 30	- -	„ 13	9.30 p.m.	13 23 30	Bremen.
				9)	119 4 0	
			Average - - -		13 5 47	
AUGUST:						
Viâ Queenstown -	August - 1	5.55 p.m.	August - 11	9.25 a.m.	9 15 30	Russia.
	„ 5	- -	„ 17	8.10 p.m.	12 2 15	City of Boston.
	„ 8	- -	„ 18	1.37 „	9 19 42	China.
	„ 12	- -	„ 23	4.55 „	10 23 0	City of Antwerp.
	„ 15	- -	„ 26	8.30 a.m.	10 14 35	Cuba.
	„ 19	- -	„ 29	7.30 „	9 13 35	City of Paris.
	„ 22	- -	Sept. - 1	2.25 p.m.	9 20 30	Java.
	„ 26	- -	„ 7	10.30 a.m.	11 16 35	City of London.
	„ 29	- -	„ 9	9.13 „	10 15 18	Scotia.
				9)	94 21 0	
			Average - - -		10 13 0	
Viâ Southampton -	August - 3	10.0 p.m.	August - 17	7.30 a.m.	13 9 30	New York.
	„ 6	- -	„ 19	9.0 „	12 11 0	Saxonia.
	„ 10	- -	„ 22	3.20 „	11 5 20	Deutschland.
	„ 13	- -	„ 25	1.0 „	11 3 0	Hammonia.
	„ 17	- -	„ 30	3.0 „	12 5 0	Hansa.
	„ 20	- -	September 2	11.0 „	12 13 0	Germania.
	„ 24	- -	„ 6	3.15 p.m.	12 17 15	America.
	„ 27	- -	„ 10	3.0 a.m.	13 5 0	Allemannia.
				8)	98 21 5	
			Average - - -		12 8 38	

HULL.

	Date of Despatch.	Latest Time for Posting.	Date of Arrival at New York. Day.	Date of Arrival at New York. Hour.	Period of Transmission. D.	H.	M.	Name of Packet.
MARCH:								
Viâ Queenstown -	February 29	4.30 p.m.	March - 13	8.16 a.m.	12	15	46	Siberia.
	March - 4	- -	„ - 19	11.50 p.m.	15	7	20	City of London.
	„ 7	- -	„ - 20	6.50 „	13	2	20	Java.
	„ 11	- -	„ - 24	1.15 a.m.	12	8	45	City of Baltimore.
	„ 14	- -	„ - 26	7.5 „	11	14	35	China.
	„ 18	- -	„ - 30	7.30 p.m.	12	3	0	City of Boston.
	„ 21	- -	April - 2	7.10 a.m.	11	14	40	Cuba.
	„ 25	- -	„ - 6	4.58 p.m.	12	0	28	City of Antwerp.
	„ 28	- -	„ - 9	8.52 a.m.	11	16	22	Australasian.
				9)	112	11	16	
				Average - - -	12	11	55	
Viâ Southampton -	March - 2	8.0 p.m.	March - 17	7.0 p.m.	14	23	0	Hermann.
	„ 5	- -	„ - 20	4.30 „	14	20	30	Germania.
	„ 9	- -	„ - 24	2.0 „	14	18	0	New York.
	„ 12	- -	„ - 25	5.0 „	12	21	0	Allemannia.
	„ 16	- -	„ - 28	5.0 a.m.	11	9	0	Union.
	„ 19	- -	„ - 31	8.0 „	11	12	0	Cimbria.
	„ 23	- -	April - 4	11.30 p.m.	12	3	30	Hansa.
	„ 26	- -	„ - 9	5.30 a.m.	13	9	30	Saxonia.
	„ 30	- -	„ - 13	9.30 p.m.	14	1	30	Bremen.
				9)	119	22	0	
				Average - - -	13	7	46	
AUGUST:								
Viâ Queenstown -	August - 1	4.30 p.m.	August 11	9.25 a.m.	9	16	55	Russia.
	„ 5	- -	„ - 17	8.10 p.m.	12	3	40	City of Boston.
	„ 8	- -	„ - 18	1.37 „	9	21	7	China.
	„ 12	- -	„ - 23	4.55 „	11	0	25	City of Antwerp.
	„ 15	- -	„ - 26	8.30 a.m.	10	16	0	Cuba.
	„ 19	- -	„ - 29	7.30 „	9	15	0	City of Paris.
	„ 22	- -	September 1	2.25 p.m.	9	21	55	Java.
	„ 26	- -	„ - 7	10.30 a.m.	11	18	0	City of London.
	„ 29	- -	„ - 9	9.13 „	10	16	43	Scotia.
				9)	95	9	45	
				Average - - -	10	14	25	
Viâ Southampton -	August - 3	8.0 p.m.	August 17	7.30 a.m.	13	11	30	New York.
	„ 6	- -	„ - 19	9.0 „	12	13	0	Saxonia.
	„ 10	- -	„ - 22	3.20 „	11	7	20	Deutschland.
	„ 13	- -	„ - 25	1.0 „	11	5	0	Hammonia.
	„ 17	- -	„ - 30	3.0 „	12	7	0	Hansa.
	„ 20	- -	September 2	11.0 „	12	15	0	Germania.
	„ 24	- -	„ - 6	3.15 p.m.	12	19	15	America.
	„ 27	- -	„ - 10	3.0 a.m.	13	7	0	Allemannia.
				8)	99	13	5	
				Average - - -	12	10	38	

GLASGOW.

	Date of Despatch.	Latest Time for Posting.	Time of Arrival at New York. Date.	Time of Arrival at New York. Hour.	Period of Transmission. D.	H.	M.	Name of Packet.
MARCH;								
Viâ Queenstown -	February 29	5.15 p.m.	March - 13	8.16 a.m.	12	15	1	Siberia.
	March - 4	- -	„ 19	11.50 p.m.	15	6	35	City of London.
	„ 7	- -	„ 20	6.50 „	13	1	35	Java.
	„ 11	- -	„ 24	1.15 a.m.	12	8	0	City of Baltimore.
	„ 14	- -	„ 26	7.5 „	11	13	50	China.
	„ 18	- -	„ 30	7.30 p.m.	12	2	15	City of Boston.
	„ 21	- -	April - 2	7.10 a.m.	11	13	55	Cuba.
	„ 25	- -	„ 6	4.58 p.m.	11	23	43	City of Antwerp.
	„ 28	- -	„ 9	8.52 a.m.	11	15	37	Australasian.
				9)	112	4	31	
			Average - - -		12	11	10	
Viâ Southampton -	March - 2	5.15 p.m.	March - 17	7.0 p.m.	15	1	45	Hermann.
	„ 5	- -	„ 20	4.30 „	14	23	15	Germania.
	„ 9	- -	„ 24	2.0 „	14	20	45	New York.
	„ 12	- -	„ 25	5.0 „	12	23	45	Allemannia.
	„ 16	- -	„ 28	5.0 a.m.	11	11	45	Union.
	„ 19	- -	„ 31	8.0 „	11	14	45	Cimbria.
	„ 23	- -	April - 4	11.30 p.m.	12	6	15	Hansa.
	„ 26	- -	„ 9	5.30 a.m.	13	12	15	Saxonia.
	„ 30	- -	„ 13	9.30 p.m.	14	4	15	Bremen.
				9)	120	22	45	
			Average - - -		13	10	32	
AUGUST:								
Viâ Queenstown -	August 1	5.15 p.m.	August 11	9.25 a.m.	9	16	10	Russia.
	„ 5	- -	„ 17	8.10 p.m.	12	2	55	City of Boston.
	„ 8	- -	„ 18	1.37 „	9	20	22	China.
	„ 12	-	„ 23	4.55 „	10	23	40	City of Antwerp.
	„ 15	- -	„ 26	8.30 a.m.	10	15	15	Cuba.
	„ 19	- -	„ 29	7.30 „	9	14	15	City of Paris.
	„ 22	- -	September 1	2.25 p.m.	9	21	10	Java.
	„ 26	- -	„ 7	10.30 a.m.	11	17	15	City of London.
	„ 29	- -	„ 9	9.13 „	10	15	58	Scotia.
				9)	95	3	0	
			Average - - -		10	13	40	
Viâ Southampton -	August 3	5.15 p.m.	August 17	7.30 a.m.	13	14	15	New York.
	„ 6	- -	„ 19	9.0 „	12	15	45	Saxonia.
	„ 10	- -	„ 22	3.20 „	11	10	5	Deutschland.
	„ 13	- -	„ 25	1.0 „	11	7	45	Hammonia.
	„ 17	- -	„ 30	3.0 „	12	9	45	Hausa.
	„ 20	- -	September 2	4.0 „	12	10	45	Germania.
	„ 24	- -	„ 6	3.15 p.m.	12	22	0	America.
	„ 27	- -	„ 10	3.0 a.m.	13	9	45	Allemannia.
				8)	100	4	5	
			Average - - -		12	12	30	

CORK.

	Date of Despatch.	Latest Time for Posting.	Date of Arrival at New York. Day.	Hour.	Period of Transmission. D.	H.	M.	Name of Packet.
MARCH:								
Viâ Queenstown -	March - 1	1.0 p.m.	March 13	8.16 a.m.	11	19	16	Siberia.
	„ 5	- -	„ 19	11.50 p.m.	14	10	50	City of London.
	„ 8	- -	„ 20	6.50 „	12	5	50	Java.
	„ 12	- -	„ 24	1.15 a.m.	11	12	15	City of Baltimore.
	„ 15	- -	„ 26	7.5 „	10	18	5	China.
	„ 19	- -	„ 30	7.30 p.m.	11	6	30	City of Boston.
	„ 22	- -	April - 2	7.10 a.m.	10	18	10	Cuba.
	„ 26	- -	„ 6	4.58 p.m.	11	3	58	City of Antwerp.
	„ 29	- -	„ 9	8.52 a.m.	10	19	52	Australasian.
				9)	104	18	46	
			Average - - -		11	15	25	
Viâ Southampton -	March - 2	11.0 a.m.	March - 17	7.0 p.m.	15	8	0	Hermann.
	„ 5	- -	„ 20	4.30 „	15	5	30	Germania.
	„ 9	- -	„ 24	2.0 „	15	3	0	New York.
	„ 12	- -	„ 25	5.0 „	13	6	0	Allemannia.
	„ 16	- -	„ 28	5.0 a.m.	11	18	0	Union.
	„ 19	- -	„ 31	8.0 „	11	21	0	Cimbria.
	„ 23	- -	April - 4	11.30 p.m.	12	12	30	Hansa.
	„ 26	- -	„ 9	5.30 a.m.	13	18	30	Saxonia.
	„ 30	- -	„ 13	9.30 p.m.	14	10	30	Bremen.
				9)	123	7	0	
			Average - - -		13	16	47	
AUGUST:								
Viâ Queenstown -	August 2	1.0 p.m.	August 11	9.25 a.m.	8	20	25	Russia.
	„ 6	- -	„ 17	8.10 p.m.	11	7	10	City of Boston.
	„ 9	- -	„ 18	1.37 „	9	0	37	China.
	„ 13	- -	„ 23	4.55 „	10	3	55	City of Antwerp.
	„ 16	- -	„ 26	8.30 a.m.	9	19	30	Cuba.
	„ 20	- -	„ 29	7.30 „	8	18	30	City of Paris.
	„ 23	- -	September 1	2.25 p.m.	9	1	25	Java.
	„ 27	- -	„ 7	10.30 a.m.	10	21	30	City of London.
	„ 30	- -	„ 9	9.13 „	9	20	13	Scotia.
				9)	87	17	15	
			Average - - -		9	17	55	
Viâ Southampton -	August 3	11.0 a.m.	August - 17	7.30 a.m.	13	20	30	New York.
	„ 6	- -	„ 19	9.0 „	12	22	0	Saxonia.
	„ 10	- -	„ 22	3.20 „	11	16	20	Deutschland.
	„ 13	- -	„ 25	1.0 „	11	14	0	Hammonia.
	„ 17	- -	„ 30	3.0 „	12	16	0	Hansa.
	„ 20	- -	September 2	11.0 „	13	0	0	Germania.
	„ 24	- -	„ 6	3.15 p.m.	13	4	15	America.
	„ 27	- -	„ 10	3.0 a.m.	13	16	0	Allemannia.
				8)	102	13	5	
			Average - - -		12	19	38	

BELFAST.

	Date of Despatch.	Latest Time for Posting.	Date of Arrival at New York. Day.	Date of Arrival at New York. Hour.	Period of Transmission.	Name of Packet.
					D. H. M.	
MARCH:						
Viâ Queenstown -	February 29	8.35 p.m.	March - 13	8.16 a.m.	12 11 41	Siberia.
	March - 4	- -	„ 19	11.50 p.m.	15 3 15	City of London.
	„ 7	- -	„ 20	6.50 „	12 22 15	Java.
	„ 11	- -	„ 24	1.15 a.m.	12 4 40	City of Baltimore.
	„ 14	- -	„ 26	7.5 „	11 10 30	China.
	„ 18	- -	„ 30	7.30 p.m.	11 22 55	City of Boston.
	„ 21	- -	April - 2	7.10 a.m.	11 10 35	Cuba.
	„ 25	- -	„ 6	4.58 p.m.	11 20 28	City of Antwerp.
	„ 28	- -	„ 9	8.52 a.m.	11 12 17	Australasian.
				9)	110 22 31	
			Average - - -		12 7 50	
Viâ Southampton -	March - 2	2.25 p.m.	March - 17	7.0 p.m.	15 4 35	Hermann.
	„ 5	- -	„ 20	4.30 „	15 2 5	Germania.
	„ 9	- -	„ 24	2.0 „	14 23 35	New York.
	„ 12	- -	„ 25	5.0 „	13 2 35	Allemannia.
	„ 16	- -	„ 28	5.0 a.m.	11 14 35	Union.
	„ 19	- -	„ 31	8.0 „	11 17 35	Cimbria.
	„ 23	- -	April - 4	11.30 p.m.	12 9 5	Hansa.
	„ 26	- -	„ 9	5.30 a.m.	13 15 5	Saxonia.
	„ 30	- -	„ 13	9.30 p.m.	14 7 5	Bremen.
				9)	122 0 15	
			Average - - -		13 13 22	
AUGUST:						
Viâ Queenstown -	August - 1	8.35 p.m.	August - 11	9.25 a.m.	9 12 50	Russia.
	„ 5	- -	„ 17	8.10 p.m.	11 23 35	City of Boston.
	„ 8	- -	„ 18	1.37 „	9 17 2	China.
	„ 12	- -	„ 23	4.55 „	10 20 20	City of Antwerp.
	„ 15	- -	„ 26	8.30 a.m.	10 11 55	Cuba.
	„ 19	- -	„ 29	7.30 „	9 10 55	City of Paris.
	„ 22	- -	September 1	2.25 p.m.	9 17 50	Java.
	„ 26	- -	„ 7	10.30 a.m.	11 13 55	City of London.
	„ 29	- -	„ 9	9.13 „	10 12 38	Scotia.
				9)	93 20 0	
			Average - - -		10 10 20	
Viâ Southampton -	August - 3	2.25 p.m.	August - 17	7.30 a.m.	13 17 5	New York.
	„ 6	- -	„ 19	9.0 „	12 18 35	Saxonia.
	„ 10	- -	„ 22	3.20 „	11 12 55	Deutschland.
	„ 13	- -	„ 25	1.0 „	11 10 35	Hammonia.
	„ 17	- -	„ 30	3.0 „	12 12 35	Hansa.
	„ 20	- -	September 2	11.0 „	12 20 35	Germania.
	„ 24	- -	„ 6	3.15 p.m.	13 0 50	America.
	„ 27	- -	„ 10	3.0 a.m.	13 12 35	Allemannia.
				8)	101 9 45	
			Average - - -		12 16 13	

LIMERICK.

—	Date of Despatch.	Latest Time of Posting.	Date of Arrival at New York. Day.	Date of Arrival at New York. Hour.	Period of Transmission. D. H. M.	Name of Packet.
MARCH:						
Viâ Queenstown -	February 29	10.15 p.m.	March - 13	8.16 a.m.	12 10 1	Siberia.
	March 4	- -	„ 19	11.50 p.m.	15 1 35	City of London.
	„ 7	- -	„ 20	6.50 „	12 20 35	Java.
	„ 11	- -	„ 24	1.15 a.m.	12 3 0	City of Baltimore.
	„ 14	- -	„ 26	7.5 „	11 8 50	China.
	„ 18	- -	„ 30	7.30 p.m.	11 21 15	City of Boston.
	„ 21	- -	April 2	7.10 a.m.	11 8 55	Cuba.
	„ 25	- -	„ 6	4.58 p.m.	11 18 43	City of Antwerp.
	„ 28	- -	„ 9	8.52 a.m.	11 10 37	Australasian.
				9)	110 7 31	
			Average - - -		12 6 10	
Viâ Southampton -	March - 2	11.10 a.m.	March - 17	7.0 p.m.	15 7 50	Hermann.
	„ 5	- -	„ 20	4.30 „	15 5 20	Germania.
	„ 9	- -	„ 24	2.0 „	15 2 50	New York.
	„ 12	- -	„ 25	5.0 „	13 5 50	Allemannia.
	„ 16	- -	„ 28	5.0 „	12 5 50	Union.
	„ 19	- -	„ 31	8.0 „	12 8 50	Cimbria.
	„ 23	- -	April - 4	11.30 „	12 12 20	Hansa.
	„ 26	- -	„ 9	5.30 a.m.	13 18 20	Saxonia.
	„ 30	- -	„ 13	9.30 p.m.	14 10 20	Bremen.
				9)	124 5 20	
			Average - - -		13 19 15	
AUGUST:						
Viâ Queenstown -	August 1	10.15 p.m.	August - 11	9.25 a.m.	9 11 10	Russia.
	„ 5	- -	„ 17	8.10 p.m.	11 21 55	City of Boston.
	„ 8	- -	„ 18	1.37 „	9 15 22	China.
	„ 12	- -	„ 23	4.55 „	10 18 40	City of Antwerp.
	„ 15	- -	„ 26	8.30 a.m.	10 10 15	Cuba.
	„ 19	- -	„ 29	7.30 „	9 9 15	City of Paris.
	„ 22	- -	September 1	2.25 p.m.	9 16 10	Java.
	„ 26	- -	„ 7	10.30 a.m.	11 12 15	City of London.
	„ 29	- -	„ 9	9.13 „	10 10 58	Scotia.
				9)	93 6 0	
			Average - - -		10 8 40	
Viâ Southampton -	August 3	11.10 a.m.	August - 17	7.30 a.m.	13 20 20	New York.
	„ 6	- -	„ 19	9.0 „	12 21 50	Saxonia.
	„ 10	- -	„ 22	3.20 „	11 16 10	Deutschland.
	„ 13	- -	„ 25	1.0 „	11 13 50	Hammonia.
	„ 17	- -	„ 30	3·0 „	12 15 50	Hansa.
	„ 20	- -	September 2	11.0 „	12 23 50	Germania.
	„ 24	- -	„ 6	3.15 p.m.	13 4 5	America.
	„ 27	- -	„ 10	3.0 a.m.	13 15 50	Allemannia.
				8)	102 11 45	
			Average - - -		12 19 28	

WATERFORD.

	Date of Despatch.	Latest Time for Posting.	Date of Arrival at New York. Day.	Hour.	Period of Transmission. D.	H.	M.	Name of Ship.
MARCH:								
Viâ Queenstown -	Feb. - 29	7.45 p.m.	March 13	8.16 a.m. -	12	12	31	Siberia.
	March - 4	- -	„ 19	11.50 p.m.	15	4	5	City of London.
	„ 7	- -	„ 20	6.50 „	12	23	5	Java.
	„ 11	- -	„ 24	1.15 a.m.	12	5	30	City of Baltimore.
	„ 14	- -	„ 26	7.5 „	11	11	20	China.
	„ 18	- -	„ 30	7.30 p.m.	11	23	45	City of Boston.
	„ 21	- -	April 2	7.10 a.m.	11	11	25	Cuba.
	„ 25	- -	„ 6	4.58 p.m.	11	21	13	City of Antwerp.
	„ 28	- -	„ 9	8.52 a.m.	11	13	7	Australasian.
				9)	111	6	1	
			Average - -		12	8	40	
Viâ Southampton -	March - 2	11.55 a.m.	March 17	7.0 p.m.	15	7	5	Hermann.
	„ 5	- -	„ 20	4.30 „	15	4	35	Germania.
	„ 9	- -	„ 24	2.0 „	15	2	5	New York.
	„ 12	- -	„ 25	5.0 „	13	5	5	Allemannia.
	„ 16	- -	„ 28	5.0 a.m.	11	17	5	Union.
	„ 19	- -	„ 31	8.0 „	11	20	5	Cimbria.
	„ 23	- -	April 4	11.30 p.m.	12	11	35	Hansa.
	„ 26	- -	„ 9	5.30 a.m.	13	17	35	Saxonia.
	„ 30	- -	„ 13	9.30 p.m.	14	9	35	Bremen.
				9)	122	22	45	
			Average - - -		13	15	51	
AUGUST:								
Viâ Queenstown -	August - 1	7.45 p.m.	August 11	9.25 a.m.	9	13	40	Russia.
	„ 5	- -	„ 17	8.10 p.m.	12	0	25	City of Boston.
	„ 8	- -	„ 18	1.37 „	9	17	52	China.
	„ 12	- -	„ 23	4.55 „	10	21	10	City of Antwerp.
	„ 15	- -	„ 26	8.30 a.m.	10	12	45	Cuba.
	„ 19	- -	„ 29	7.30 „	9	11	45	City of Paris.
	„ 22	- -	Sept. 1	2.25 p.m.	9	18	40	Java.
	„ 26	- -	„ 7	10.30 a.m.	11	14	45	City of London.
	„ 29	- -	„ 9	9.13 „	10	13	28	Scotia.
				9)	95	4	20	
			Average - - -		10	11	36	
Viâ Southampton -	August 3	11.55 a.m.	Aug. 17	7.30 a.m.	13	19	35	New York.
	„ 6	- -	„ 19	9.0 „	12	21	5	Saxonia.
	„ 10	- -	„ 22	3.20 „	11	15	25	Deutschland.
	„ 13	- -	„ 25	1.0 „	11	13	5	Hammonia.
	„ 17	- -	„ 30	3.0 „	12	15	5	Hansa.
	„ 20	- -	Sept. 2	11.0 „	12	23	5	Germania.
	„ 24	- -	„ 6	3.15 p.m.	13	3	20	America.
	„ 27	- -	„ 10	3.0 a.m.	13	15	5	Allemannia.
				8)	102	5	45	
			Average - - -		12	18	43	

LONDON.

	Date of Despatch.	Latest Time for Posting.	Date of Arrival at New York. Day.	Date of Arrival at New York. Hour.	Period of Transmission. D.	H.	M.	Name of Packet.
MARCH:								
Viâ Queenstown -	Feb. - 29	6.0 p.m.	March 13	8.16 a.m.	12	14	16	Siberia.
	March - 4	- -	„ 19	11.50 p.m.	15	5	50	City of London.
	„ 7	- -	„ 20	6.50 „	13	0	50	Java.
	„ 11	- -	„ 24	1.15 a.m.	12	7	15	City of Baltimore.
	„ 14	- -	„ 26	7.5 „	11	13	5	China.
	„ 18	- -	„ 30	7.30 p.m.	12	1	30	City of Boston.
	„ 21	- -	April 2	7.10 a.m.	11	13	10	Cuba.
	„ 25	- -	„ 6	4.58 p.m.	11	22	58	City of Antwerp.
	„ 28	- -	„ 9	8.52 a.m.	11	14	52	Australasian.
				9)	111	21	46	
			Average - - -		12	10	25	
Viâ Southampton -	March - 3	8.45 a.m.	March - 17	7.0 p.m.	14	10	15	Hermann.
	„ 6	- -	„ 20	4.30 „	14	7	45	Germania.
	„ 10	- -	„ 24	2.0 „	14	5	15	New York.
	„ 13	- -	„ 25	5.0 „	12	8	15	Allemannia.
	„ 17	- -	„ 28	5.0 a.m.	10	20	15	Union.
	„ 20	- -	„ 31	8.0 „	10	23	15	Cimbria.
	„ 24	- -	April - 4	11.30 p.m.	11	14	45	Hansa.
	„ 27	- -	„ 9	5.30 a.m.	12	20	45	Saxonia.
	„ 31	- -	„ 13	9.30 p.m.	13	12	45	Bremen.
				9)	115	3	15	
			Average - - -		12	19	2	
AUGUST:								
Viâ Queenstown -	August 1	6.0 p. m.	August 11	9.25 a.m.	9	15	25	Russia.
	„ 5	- -	„ 17	8.10 p.m.	12	2	10	City of Boston.
	„ 8	- -	„ 18	1.37 „	9	19	37	China.
	„ 12	- -	„ 23	4.55 „	10	22	55	City of Antwerp.
	„ 15	- -	„ 26	8.30 a.m.	10	14	30	Cuba.
	„ 19	- -	„ 29	7.30 „	9	13	30	City of Paris.
	„ 22	- -	Sept. - 1	2.25 p.m.	9	20	25	Java.
	„ 26	- -	„ 7	10.30 a.m.	11	16	30	City of London.
	„ 29	- -	„ 9	9.13 „	10	15	13	Scotia.
				9)	94	20	15	
			Average - - -		10	12	55	
Viâ Southampton -	August 4	8.45 a.m.	August 17	7.30 a.m.	12	22	45	New York.
	„ 7	- -	„ 19	9.0 „	12	0	15	Saxonia.
	„ 11	- -	„ 22	3.20 „	10	18	35	Deutschland.
	„ 14	- -	„ 25	1.0 „	10	16	15	Hammonia.
	„ 18	- -	„ 30	3.0 „	11	18	15	Hansa.
	„ 21	- -	Sept. 2	11.0 „	12	2	15	Germania.
	„ 25	- -	„ 6	3.15 p.m.	12	6	30	America.
	„ 28	- -	„ 10	3.0 a.m.	12	18	15	Allemannia.
				8)	95	7	5	
			Average - - -		11	21	55	

Appendix, No. 3.

RETURN showing the Total Weight of LETTERS, NEWSPAPERS, and BOOK PACKETS, &c., contained in 52 MAILS from *Queenstown*, and in 52 Mails from *Southampton*, conveyed to *New York* by the North American Packets during the Six Months ended 30th September 1868.

ROUTE.	Letters.	Newspapers.	Books.
	Ounces.	*Pounds.*	*Pounds.*
Viâ QUEENSTOWN	447,218	114,774	11,220
Viâ SOUTHAMPTON	169,952	37,083	3,493
TOTAL	617,170	151,857	14,713
Per-centage viâ Queenstown	72⅔ per cent.	75½ per cent.	76¼ per cent.

Note.—Closed mails are included in this Return.

General Post Office,
15 March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

RETURN showing the Weight of LETTERS, NEWSPAPERS, and BOOK PACKETS, &c., for the *United States*, and for Countries in Transit through the *United States*, contained in 52 Mails from *Queenstown*, and in 52 Mails from *Southampton*, conveyed to *New York* by the North American Packets during the Six Months ended 30th September 1868.

ROUTE.	Letters.	Newspapers.	Books.
	Ounces.	*Pounds.*	*Pounds.*
Viâ QUEENSTOWN	307,298	77,571	9,592
Viâ SOUTHAMPTON	89,120	26,107	3,152
TOTAL	396,418	103,678	12,744
Per-centage viâ Queenstown	77⅓ per cent.	75 per cent.	75¼ per cent.

Note.—Closed mails are excluded from this Return.

General Post Office,
17 March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

ESTIMATE of the GROSS POSTAGE on OUTWARD CORRESPONDENCE carried to *North America* by the Contract Packets in 1868.

	£.
2,738,457 rates of letters at 6 *d.*	76,068
Amount credited by foreign countries for conveyance of letters in closed mails	18,339
2,009,011 papers at 2 *d.*	16,742
Amount credited by foreign countries for conveyance of papers in closed mails	693
168,731 books at 3 *d.*	2,109
Amount credited by foreign countries for conveyance of books in closed mails	28
£.	113,979

General Post Office,
March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

RETURN showing the Performances of Steamers Conveying Mails to *New York* in the Year 1868; and showing the several Mails Despatched from *New York* to the *United Kingdom* by Mail Packet during the Year 1868; the Period of Arrival in this Country; and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow,* and *Belfast.*

PERFORMANCE of STEAMERS Conveying MAILS to NEW YORK in JANUARY 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival, as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
2	Thursday	Queenstown	City of Baltimore	3.40 p.m.	Tuesday	January 14	January 14	7.9 a.m.	11	15½
5	Sunday	Queenstown	Australasian	3.30 „	Friday	January 17	January 17	4.48 p.m.	12	1½
7	Tuesday	Southampton	Weser	2.0 „	Sunday	January 19	January 19	8.30 „	12	6½
9	Thursday	Queenstown	City of Boston	3.30 „	Tuesday	January 21, 10 p.m.	January 21	10.11 „	12	7
10	Friday	Southampton	Germania	1.0 „	Thursday	January 23	January 23	3.40 a.m.	12	14⅔
12	Sunday	Queenstown	Siberia	3.30 „	Monday	January 27	January 27	1.40 p.m.	14	22⅙
14	Tuesday	Southampton	New York	2.0 „	No Advice		January 28	6.15 „	14	4¼
16	Thursday	Queenstown	City of Antwerp	4.30 „	Tuesday	January 28, 9 p.m.	January 28	9.42 „	12	5⅓
19	Sunday	Queenstown	Russia	5.45 „	Wednesday	January 29, 8 a.m.	January 29	12.13 „	9	18⅓
21	Tuesday	Southampton	Union	2.0 „	Sunday	February 2, 9 p.m.	February 2	10.0 „	12	8
23	Thursday	Queenstown	City of London	3.30 „	Monday	February 3	February 3	8.20 „	11	4⅚
24	Friday	Southampton	Allemannia	12.30 „	Thursday	February 6	February 6	9.50 a.m.	12	21⅓
26	Sunday	Queenstown	Java	3.30 „	Wednesday	February 5	February 5	12.11 p.m.	9	20⅔
28	Tuesday	Southampton	No ship.	—	—	—	—	—	—	
30	Thursday	Queenstown	City of Paris	4.0 „	Tuesday	February 11	February 11	5.0 „	12	1

The point of arrival of the Cunard packets is the Company's wharf, New Jersey; of the Inman packets, New York Harbour; of the North German Lloyd packets, the Quarantine Ground; and of the Hamburg American packets, sometimes the Quarantine Ground, sometimes the Company's pier at Hoboken.

PERFORMANCES of STEAMERS Conveying MAILS to NEW YORK in FEBRUARY 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival, as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
2	Sunday	Queenstown	Palmyra	7.50 p.m.	Saturday	February 15, 6 a.m.	February 15	8.20 a.m.	12	12½
5	Wednesday	Southampton	Deutschland	7.30 „	Sunday	February 16	February 16	3.35 p.m.	10	20
6	Thursday	Queenstown	City of Baltimore	3.30 „	Monday	February 17	February 16	11.30 „	10	8
7	Friday	Southampton	Cimbria	10.0 „	Monday	February 17	February 17	2.0 „	9	16
9	Sunday	Queenstown	Cuba	3.30 „	Wednesday	February 19, 2 p.m.	February 19	3.15 „	9	23¾
11	Tuesday	Southampton	Hansa	2.0 „	Sunday	February 23, 8 p.m.	February 23	6.30 „	12	4½
13	Thursday	Queenstown	City of Boston	3.30 „	Tuesday	February 25	February 25	midnight	12	8½
16	Sunday	Queenstown	Australasian	3.30 „	Friday	February 28, 6 a.m.	February 28	9.13 a.m.	11	17¾
18	Tuesday	Southampton	Bremen	2.30 „	Wednesday	March 4, 2 p.m.	March 4	4.50 p.m.	15	2⅓
20	Thursday	Queenstown	City of Antwerp	10.30 „	Wednesday	March 4	March 4	10.15 „	12	23¾
21	Friday	Southampton	Hammonia	1.30 „	Put back disabled.		—	—	—	
23	Sunday	Queenstown	Russia	6.53 „	Thursday	March 5, 3 p.m.	March 5	4.30 p.m.	10	21⅔
25	Tuesday	Southampton	Weser	2.0 „	Sunday	March 8, 8 p.m.	March 8	7.30 „	12	5½
27	Thursday	Queenstown	City of New York	4.35 „	Tuesday	March 10, 7 p.m.	March 10	6.40 „	12	2

Performances of Steamers Conveying Mails to New York in March 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival, as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
1	Sunday	Queenstown	Siberia	3.30 p.m.	Friday	March 13, 6 a.m.	March 13	8.16 a.m.	11	16¾
3	Tuesday	Southampton	Hermann	2.30 „	Tuesday	March 17	March 17	7.0 p.m.	14	4½
5	Thursday	Queenstown	City of London	8.50 „	Thursday	March 19	March 19	11.50 „	14	3
6	Friday	Southampton	Germania	7.0 „	Friday	March 20, 3 p.m.	March 20	4.30 „	13	21½
8	Sunday	Queenstown	Java	3.30 „	Friday	March 20, 4 „	March 20	6.50 „	12	2⅓
10	Tuesday	Southampton	New York	2.0 „	Tuesday	March 24	March 24	2.0 „	14	0
12	Thursday	Queenstown	City of Baltimore	4.0 „	Tuesday	March 24	March 24	1.15 a.m.	11	9¼
13	Friday	Southampton	Allemannia	2.0 „	Wednesday	March 25, 5 p.m.	March 25	5.0 p.m.	12	3
15	Sunday	Queenstown	China	5.0 „	Thursday	March 26, 6 a.m.	March 26	7.5 a.m.	10	14
17	Tuesday	Southampton	Union	3.45 „	Saturday	March 28, 4 a.m.	March 28	5.0 „	10	13¼
19	Thursday	Queenstown	City of Boston	4.5 „	Monday	March 30	March 30	7.30 p.m.	11	3⅓
20	Friday	Southampton	Cimbria	3.0 „	Tuesday	March 31, 1 a.m.	March 31	8.0 a.m.	10	17
22	Sunday	Queenstown	Cuba	3.45 „	Thursday	April 2, 6 a.m.	April 2	7.10 „	10	15⅓
24	Tuesday	Southampton	Hansa	2.0 „	Saturday	April 4, 10 „	April 4	11.30 p.m.	11	9½
26	Thursday	Queenstown	City of Antwerp	3.56 „	Monday	April 6, 4 p.m.	April 6	4.58 „	11	1
27	Friday	Southampton	Saxonia	1.0 „	Thursday	April 9, 1 a.m.	April 9	5.30 a.m.	12	16½
29	Sunday	Queenstown	Australasian	3.25 „	Thursday	April 9, 7 a.m.	April 9	8.52 „	10	17½
31	Tuesday	Southampton	Bremen	2.0 „	Monday	April 13, 8 p.m.	April 13	9.30 p.m.	13	7½

Performances of Steamers Conveying Mails to New York in April 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival, as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
2	Thursday	Queenstown	City of Paris	4.0 p.m.	Sunday	April 12	April 12	8.10 p.m	10	4¼
3	Friday	Southampton	Hammonia	2.0 „	Wednesday	April 15, 8 a.m.	April 15	11.0 a.m.	11	21
5	Sunday	Queenstown	Russia	3.45 „	Friday	April 17, 9 „	April 17	11.20 „	11	19½
7	Tuesday	Southampton	Weser	2.0 „	Monday	April 20, 1 „	April 20	1.30 „	12	11½
9	Thursday	Queenstown	City of London	4.10 „	Tuesday	April 21	April 21	5.10 p.m.	12	1
10	Friday	Southampton	Teutonia	3.0 „	Saturday	April 25, 3 p.m.	April 25	5.0 „	15	2
12	Sunday	Queenstown	Scotia	3.45 „	Wednesday	April 22, 11 a.m.	April 22	1.3 „	9	21¼
14	Tuesday	Southampton	Hermann	2.30 „	Monday	April 27	April 26	3.0 „	12	0½
16	Thursday	Queenstown	City of Baltimore	4.45 „	Tuesday	April 28	April 27	7.33 „	11	2¾
17	Friday	Southampton	Germania	5.15 „	Saturday	May 2, 2 a.m.	May 2	4.0 a.m.	14	10¾
19	Sunday	Queenstown	Java	3.0 „	Thursday	April 30, 10 „	April 30	12 noon	10	21
21	Tuesday	Southampton	Union	3.0 „	Monday	May 4	May 3	8.30 a.m.	11	17½
23	Thursday	Queenstown	City of Boston	4.54 „	Wednesday	May 6	May 5	11.55 p.m.	12	7
24	Friday	Southampton	Allemannia	3.0 „	Wednesday	May 6, 11 p.m.	May 6	midnight	12	9
26	Sunday	Queenstown	China	3.45 „	Thursday	May 7, 1 „	May 7	3.15 p.m.	10	23½
28	Tuesday	Southampton	Deutschland	2.45 „	Saturday	May 9	May 9	12 noon.	10	21¼
30	Thursday	Queenstown	City of Antwerp	5.0 „	Monday	May 11	May 11	5.12 p.m.	11	0½

Performances of Steamers Conveying Mails to New York in May 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
1	Friday	Southampton	Cimbria	5. 0 p.m.	Tuesday	May 12, 7 a.m.	May 12	8. 0 a.m.	10	15
3	Sunday	Queenstown	Australasian	3. 0 „	Wednesday	May 13, 8 a.m.	May 13	9.30 „	9	18½
5	Tuesday	Southampton	Hansa	3. 0 „	Monday	May 18	May 17	1.30 p.m.	11	22½
7	Thursday	Queenstown	City of Paris	4. 0 „	Saturday	May 16, 6 p.m.	May 16	7. 0 „	9	3
8	Friday	Southampton	Saxonia	2.40 „	Wednesday	May 20, 2 „	May 20	4. 0 „	12	1½
10	Sunday	Queenstown	Russia	3.48 „	Tuesday	May 19, 7 „	May 19	9.37 „	9	5¾
12	Tuesday	Southampton	Bremen	2. 0 „	Sunday	May 24	May 24	8. 0 „	12	6
14	Thursday	Queenstown	City of London	4. 0 „	Monday	May 25	May 25	2.10 a.m.	10	10⅙
15	Friday	Southampton	Hammonia	4. 0 „	Tuesday	May 26	May 26	6. 0 „	10	14
17	Sunday	Queenstown	Scotia	3.28 „	Tuesday	May 26, 5 a.m.	May 26	6.58 „	8	15½
19	Tuesday	Southampton	America	3. 0 „	No advice		May 31	4.45 p.m.	12	1¾
21	Thursday	Queenstown	City of Baltimore	5.21 „	Tuesday	June 2	June 2	5.30 a.m.	11	11½
22	Friday	Southampton	Teutonia	4. 0 „	Saturday	June 6, 11 a.m.	June 6	1. 0 p.m.	14	21
24	Sunday	Queenstown	Java	3.30 „	Wednesday	June 3	June 4	0·25 a.m.	10	9
26	Tuesday	Southampton	Weser	2. 0 „	No advice		June 6	8.30 „	10	18½
28	Thursday	Queenstown	City of Boston	4. 0 „	Monday	June 8, 11 a.m.	June 8	10.49 a.m.	10	18¾
29	Friday	Southampton	Germania	3. 0 „	Tuesday	June 9, 11 „	June 9	12.45 p.m.	10	21¾
31	Sunday	Queenstown	Cuba	4. 5 „	Wednesday	June 10, 3 „	June 10	5.45 a.m.	9	13²⁄₃

PERFORMANCES of STEAMERS Conveying MAILS to NEW YORK in JUNE 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival, as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
2	Tuesday	Southampton	Hermann	2.30 p.m.	No advice		June 13	12.30 p.m.	10	22
4	Thursday	Queenstown	City of Antwerp	4.30 „	Sunday	June 14	June 14	11. 3 a.m.	9	18½
5	Friday	Southampton	Allemannia	2. 0 „	Tuesday	June 16, 5 p.m.	June 16	5. 0 p.m.	11	3
7	Sunday	Queenstown	Australasian	3.36 „	Wednesday	June 17, noon	June 17	2.45 „	9	23
9	Tuesday	Southampton	Union	2. 0 „	No advice		June 20	2. 0 a.m.	10	12
11	Thursday	Queenstown	City of Paris	4. 0 „	Saturday	June 20	June 20	5.45 p.m.	9	1¾
12	Friday	Southampton	Holsatia	2.30 „	No advice		June 22	noon	9	21½
14	Sunday	Queenstown	Russia	4. 0 „	Tuesday	June 23, 2 p.m.	June 23	3.40 p.m.	8	23⅔
16	Tuesday	Southampton	Deutschland	2.30 „	No advice		June 27	5.25 a.m.	10	15
18	Thursday	Queenstown	City of London	4. 0 „	Sunday	June 28, noon	June 28	11.40 „	9	19⅔
19	Friday	Southampton	Cimbria	3. 0 „	Monday	June 29, 9 p.m.	June 29	10.15 p.m.	10	7¼
21	Sunday	Queenstown	Scotia	3.36 „	Tuesday	June 30, 9 a.m.	June 30	10.45 a.m.	8	19⅙
23	Tuesday	Southampton	Hansa	2. 0 „	No advice		July 4	4.45 p.m.	11	2¾
25	Thursday	Queenstown	City of Baltimore	3.50 „	Sunday	July 5, 4 p.m.	July 5	3.26 „	9	23⅔
26	Friday	Southampton	Saxonia	2.45 „	Tuesday	July 7, 1 p.m.	July 7	2.10 „	10	23
28	Sunday	Queenstown	China	4. 5 „	Tuesday	July 7, 6 p.m.	July 7	7.20 „	9	3¼
30	Tuesday	Southampton	Bremen	2.30 „	No advice		July 11	11.15 „	11	8¾

Performances of Steamers conveying Mails to New York in July 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
2	Thursday	Queenstown	City of Boston	4. 7 p.m.	Sunday	July 12	July 12	10.55 p.m.	10	6¾
3	Friday	Southampton	Hammonia	2.30 „	Monday	July 13, 2 p.m.	July 13	3. 0 „	10	0½
5	Sunday	Queenstown	Cuba	3.50 „	Tuesday	July 14, 7 „	July 14	8.34 „	9	4¾
7	Tuesday	Southampton	America	2.30 „	No advice		July 18	9. 0 a.m.	10	18½
9	Thursday	Queenstown	City of Antwerp	3.45 „	Saturday	July 18	July 18	11.55 p.m.	9	8⅙
10	Friday	Southampton	Germania	2.30 „	Tuesday	July 21, 3 a.m.	July 21	6. 0 a.m.	10	15½
12	Sunday	Queenstown	Java	2.55 „	Tuesday	July 21, 1 p.m.	July 21	3.35 p.m.	9	0⅔
14	Tuesday	Southampton	Weser	2. 0 „	No advice		July 24	4.45 „	10	2¾
16	Thursday	Queenstown	City of Paris	4.20 „	Saturday	July 25, 6 a.m.	July 25	6. 0 a.m.	8	13⅔
17	Friday	Southampton	Allemannia	3. 0 „	Tuesday	July 28	July 28	midnight	11	9
19	Sunday	Queenstown	Australasian	3.25 „	Tuesday	July 28, 1 p.m.	July 28	7. 9 p.m.	9	3⅔
21	Tuesday	Southampton	Hermann	2.30 „	No advice		August 1	11. 0 a.m.	10	20½
23	Thursday	Queenstown	City of London	5.20 „	Sunday	August 2	August 2	3.20 p.m.	9	22
24	Friday	Southampton	Holsatia	2.30 „	Sunday	August 2	August 3	4. 0 a.m.	9	13½
26	Sunday	Queenstown	Scotia	4.46 „	Tuesday	August 4	August 4	3.15 p.m.	8	22½
28	Tuesday	Southampton	Union	2.45 „	No advice		August 8	11. 0 a.m.	10	20¼
30	Thursday	Queenstown	City of Baltimore	5. 5 „	Sunday	August 9, 8 a.m.	August 9	8.40 „	9	15½
31	Friday	Southampton	Cimbria	2.30 „	Monday	August 10, 11 p.m.	August 11	2. 0 „	10	11½

PERFORMANCES of STEAMERS conveying MAILS to NEW YORK in AUGUST 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
2	Sunday	Queenstown	Russia	3.45 p.m.	Tuesday	August 11, 7 a.m.	August 11	9.25 a.m.	8	17¾
4	Tuesday	Southampton	New York	2.30 „	No advice		August 17	7.30 a.m.	12	17
6	Thursday	Queenstown	City of Boston	4. 0 „	Monday	August 17	August 17	8.10 p.m.	11	4¼
7	Friday	Southampton	Saxonia	3. 0 „	Wednesday	August 19, 7 a.m.	August 19	9. 0 a.m.	11	18
9	Sunday	Queenstown	China	3.47 „	Tuesday	August 18, 11 „	August 18	1.37 p.m.	8	21¾
11	Tuesday	Southampton	Deutschland	3. 0 „	No advice		August 22	3.20 a.m.	10	12¼
13	Thursday	Queenstown	City of Antwerp	3.50 „	Sunday	August 23	August 23	4.55 p.m.	10	1
14	Friday	Southampton	Hammonia	2.35 „	Monday	August 24, 11 p.m.	August 25	1. 0 a.m.	10	10¼
16	Sunday	Queenstown	Cuba	3.35 „	Wednesday	August 26, 7 a.m.	August 26	8.30 „	9	17
18	Tuesday	Southampton	Hansa	2.20 „	No advice		August 30	3. 0 „	10	16¾
20	Thursday	Queenstown	City of Paris	5. 0 „	Saturday	August 29, 7 a.m.	August 29	7.30 „	8	14½
21	Friday	Southampton	Germania	2.45 „	Wednesday	September 2, 8 a.m	September 2	11. 0 „	11	20¼
23	Sunday	Queenstown	Java	3.10 „	No advice		September 1	2.25 p.m.	8	23¼
25	Tuesday	Southampton	America	3. 0 „	Monday	September 7, 3 p.m.	September 6	3.15 „	12	0¼
27	Thursday	Queenstown	City of London	-	Sunday	September 6	September 7	10.30 a.m.	10	16¼
28	Friday	Southampton	Allemannia	6.30 „	Wednesday	September 9, 11 p.m.	September 10	3. 0 „	12	8½
30	Sunday	Queenstown	Scotia	2.18 „	Wednesday	September 9	September 9	9.13 „	10	15¾

Performances of Steamers conveying Mails to New York in September 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival, as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
1	Tuesday	Southampton	Weser	2.40 p.m.	Saturday	September 12	September 12	6. 0 a.m.	10	15¼
3	Thursday	Queenstown	City of Baltimore	8.58 „	Sunday	September 13, 11 a.m.	September 13	11.22 „	9	14½
4	Friday	Southampton	Holsatia	2.45 „	Monday	September 14, 6 „	September 14	8. 0 „	9	17¼
6	Sunday	Queenstown	Russia	3.45 „	Tuesday	September 15	September 15	6. 0 „	8	14¼
8	Tuesday	Southampton	Hermann	2.30 „	Saturday	Sept. 19, 4.30 p.m.	September 19	6.45 „	10	16¼
10	Thursday	Queenstown	City of Boston	4. 0 „	Saturday	September 19	September 20	1.30 „	9	9½
11	Friday	Southampton	Cimbria	2.25 „	Monday	September 21, 6 p.m.	September 21	7. 0 p.m.	10	4¾
13	Sunday	Queenstown	China	4.15 „	Tuesday	September 22	September 22	5.40 a.m.	8	13½
15	Tuesday	Southampton	Union	2.35 „	Friday	September 25	September 25	9.45 „	9	19¼
17	Thursday	Queenstown	City of Antwerp	4. 4 „	Saturday	September 26, noon	September 26	noon	8	20
18	Friday	Southampton	Westphalia	3.20 „	Sunday	Sept. 27, midnight	September 28	5.30 a m.	9	14¼
20	Sunday	Queenstown	Cuba	3.45 „	Tuesday	September 29	September 29	0.40 p.m.	8	21
22	Tuesday	Southampton	Bremen	2.40 „	Saturday	October 3	October 3	11.25 „	11	8¾
24	Thursday	Queenstown	City of Paris	4. 0 „	Saturday	October 3	October 3	9.15 „	9	5¼
25	Friday	Southampton	Hammonia	2.35 „	Tuesday	October 6, 8 a.m.	October 6	8. 0 a.m.	10	17½
27	Sunday	Queenstown	Java	3.33 „	Tuesday	October 6, 7 „	October 6	9.13 „	9	17¾
29	Tuesday	Southampton	Deutschland	3.30 „	Saturday	Oct. 10, 5 „	October 10	3.15 „	10	11¾

PERFORMANCE of STEAMERS conveying MAILS to NEW YORK in OCTOBER 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
1	Thursday	Queenstown	City of London	4.15 p.m.	Monday	October 12, 3 a.m.	October 12	3. 7 am.	10	10¾
2	Friday	Southampton	Germania	2.45 „	Thursday	October 15, 1 p.m.	October 15	3. 0 „	12	12¼
4	Sunday	Queenstown	Scotia	7.25 a.m.	Wednesday	October 14, 2 „	October 14	4.30 p.m.	10	9
6	Tuesday	Southampton	Rhein	3.15 p.m.	No advice		October 17	6.30 a.m.	10	15¼
8	Thursday	Queenstown	City of Baltimore	4. 0 „	Sunday	October 18	October 18	7.55 p.m.	10	4
9	Friday	Southampton	Allemannia	3. 0 „	Wednesday	October 21, 6 a.m.	October 21	7.30 a.m.	11	16½
11	Sunday	Queenstown	Russia	4. 5 „	Wednesday	October 21, 3 „	October 21	6.57 „	9	14¾
13	Tuesday	Southampton	Hansa	2.45 „	Monday	October 26	October 26	10. 0 „	12	19¼
15	Thursday	Queenstown	City of Boston	11.45 „	Tuesday	October 27	October 27	8.45 „	11	9
16	Friday	Southampton	Holsatia	2·30 „	Tuesday	October 27, 2 a.m.	October 27	3. 0 „	10	12½
18	Sunday	Queenstown	China	3.50 „	Thursday	October 29, 8 „	October 29	10.30 „	10	18¾
20	Tuesday	Southampton	America	3. 0 „	No advice		November 1	5.30 p.m.	12	2½
22	Thursday	Queenstown	City of Antwerp	3.50 „	Monday	November 2	November 2	midnight	11	8¼
23	Friday	Southampton	Cimbria	2.40 „	Tuesday	November 3, 9 p.m.	November 3	11. 0 p.m.	11	8¼
25	Sunday	Queenstown	Cuba	2. 5 „	Wednesday	November 4, 3 p.m.	November 4	5.35. „	10	3½
27	Tuesday	Southampton	Weser	2.50 „	Sunday	November 8	November 8	4.30 a.m.	11	13¾
29	Thursday	Queenstown	City of Paris	11.40 „	Sunday	November 8	November 8	11.45 p.m.	10	0
30	Friday	Southampton	Westphalia	3.15 „	Monday	November 9, 10 p.m.	November 9	11.30 „	10	8¼

Performances of Steamers Conveying Mails to New York in November 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing	Arrived out, as per Telegram from New York.		Date of Arrival as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
1	Sunday	Queenstown	Java	3.30 p.m.	Wednesday	Nov. 11	Nov. 11	1.30 p.m.	9	22
3	Tuesday	Southampton	Hermann	2.30 „	Sunday	Nov. 15	Nov. 15	6.30 a.m.	11	16
5	Thursday	Queenstown	City of London	11. 5 „	Monday	Nov. 16, 7 a.m.	Nov. 16	7. 0 „	10	8
8	Sunday	Queenstown	Scotia	3.34 „	Tuesday	Nov. 17, 10 p.m.	Nov. 18	8. 0 „	9	16½
10	Tuesday	Southampton	Union	2.45 „	Friday	Nov. 20	Nov. 20	7.45 p.m.	10	5
12	Thursday	Queenstown	City of Baltimore	3.54 „	Sunday	Nov. 22	Nov. 23	1.45 a.m.	9	9¾
15	Sunday	Queenstown	Russia	3.47 „	Tuesday	Nov. 24, 7 a.m.	Nov. 24	8.53 „	8	17
17	Tuesday	Southampton	Deutschland	2.20 „	Saturday	Nov. 28	Nov. 28	3.20 „	10	13
19	Thursday	Queenstown	City of Boston	3.50 „	Monday	Nov. 30	Nov. 30	11. 0 „	10	19¼
22	Sunday	Queenstown	China	4.14 „	Thursday	Dec. 3, 7 p.m.	Dec. 3	8.25 p.m.	11	4¼
24	Tuesday	Southampton	Rhein	2.45 „	Saturday	Dec. 5, noon	Dec. 5	0.15 „	10	21½
26	Thursday	Queenstown	City of Antwerp	3.45 „	Sunday	Dec. 6	Dec. 6	1.42 a.m.	9	10
*30	Monday	Queenstown	Cuba	4.15 „	Friday	Dec. 11, 1 p.m.	Dec. 11	3.10 p.m.	10	23

* Delayed in sailing by bad weather.

PERFORMANCES of STEAMERS conveying MAILS to NEW YORK in DECEMBER 1868.

Day of Month.	Day of Week.	Port of Departure.	Name of Ship.	Hour of Sailing.	Arrived out, as per Telegram from New York.		Date of Arrival as per Way Bill.		Duration of Voyage.	
					Day of Week.	Day of Month.	Day.	Hour.		
									Days.	*hrs.*
1	Tuesday	Southampton	Main	2 0 p.m.	Sunday	Dec. 13, 6 a.m.	Dec. 13	7.15 a.m.	11	17¼
3	Thursday	Queenstown	City of Paris	4.15 „	Monday	Dec. 14	Dec. 14	10.30 a.m.	10	18¼
6	Sunday	Queenstown	Java	3.55 „	Thursday	Dec. 17, 11 a.m.	Dec. 17	1. 5 p.m.	10	21
8	Tuesday	Southampton	America	3.15 „	Monday	Dec. 21, 7 p.m.	Dec. 21	8.50 „	13	5½
11	Thursday	Queenstown	City of London	0.12 a.m.	Thursday	Dec. 24	Dec. 24	8.45 a.m.	13	8½
13	Sunday	Queenstown	Australasian	3.50 p.m.	Friday	Dec. 25, 8 a.m.	Dec. 25	9. 0 „	11	17¼
15	Tuesday	Southampton	Weser	2. 0 „	Monday	Dec. 28, 1 p.m.	Dec. 28	1.30 p.m.	12	23½
17	Thursday	Queenstown	City of Baltimore	5.38 „	Wednesday	Dec. 30, 4 a.m.	Dec. 30	4. 0 a.m	12	10¼
20	Sunday	Queenstown	Russia	4.14 „	Thursday	Dec. 31, 1 p.m.	Dec. 31	2.50 p.m.	10	22½
22	Tuesday	Southampton	Hermann	3.10 „	Tuesday	1869: Jan. 5, 9 p.m.	1869: Jan. 5	10.30 p.m.	14	7¼
24	Thursday	Queenstown	Etna	4.36 „	Sunday	Jan. 10, 6 a.m.	Jan. 10	5.30 a.m.	16	13
28	Sunday	Queenstown	China	3.25 a.m.	Sunday	Jan. 10, noon	Jan. 10	3. 0 p.m.	13	11½
29	Tuesday	Southampton	Union	2.45 p.m.	Monday	Jan. 11, 9 a.m.	Jan. 11	10. 0 a.m.	12	19¼
31	Thursday	Queenstown	City of New York	4. 5 „	Thursday	Jan. 14	Jan. 14	2.52 p.m.	13	22¾

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of January 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow,* and *Belfast.*

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
JANUARY:								
Jan. 1	Africa - -	Queenstown	Sun. 12 Jan.	Mon. 13 Jan. 9.0 a.m.	Mon. 13 Jan. 7.0 a.m.	Mon. 13 Jan. 7.15 a.m.	Mon. 13 Jan. 7.38 p.m.	Mon. 13 Jan. 7.0 a.m.
„ 2	Hermann - -	Southampton	Mon. 13 „	Mon. 13 „ 11.40 „	Tues. 14 „ 7.0 „	Tues. 14 „ 7.15 „	Tues. 14 „ 9.7 a.m.	Tues. 14 „ 1.45 p.m.
„ 4	City of London	Queenstown	Mon. 13 „	Tues. 14 „ 7.15 p.m.	Tues. 14 „ 6.0 p.m.	Wed. 15 „ 7.15 „	Wed. 15 „ 9.7 „	Tues. 14 „ 1.45 „
„ 8	Scotia - -	Queenstown	Fri. 17 „	Mon. 20 „ 7.30 a.m.	Sat. 18 „ 6.0 „	Sun. 19 „ 7.15 „	Sun. 19 „ 8.54 a.m.	Sat. 18 „ 1.40 „
„ 9	Deutschland -	Southampton	Sun. 19 „	Mon. 20 „ 7.30 „	Mon. 20 „ 1.34 „	Mon. 20 „ 4.30 p.m.	Tues. 21 „ 7.15 „	Tues. 28 „ 7.0 a.m.
„ 11	City of Washington.	Queenstown	Thurs. 23 „	Sat. 25 „ 9.0 „	Sat. 25 „ 7.0 a.m.	Sat. 25 „ 12.45 „	Sun. 26 „ 9.0 „	Sat. 25 „ 7.0 „
„ 14	Hammonia -	Southampton	Sat. 25 „	Sat 25 „ 11.25 „	Sun. 26 „ 7.0 „	Sun. 26 „ 7.15 a.m.	Sun. 26 „ 9.0 „	Mon. 27 „ 7.0 „
„ 15	Cuba - -	Queenstown	Fri. 24 „	Mon. 27 „ 7.30 „	Sun. 26 „ 7.0 „	Sun. 26 „ 7.15 „	Sun. 26 „ 9.0 „	Sat. 25 „ 8.0 p.m.
„ 16	America - -	Southampton	Mon. 27 „	Mon. 27 „ 11.35 „	Tues. 28 „ 7.0 „	Tues. 28 „ 7.15 „	Tues. 28 „ 8.38 „	Tues. 28 „ 1.40 „
„ 18	City of Baltimore	†Liverpool -	Wed. 29 „	Wed. 29 „ 4.30 p.m.	Wed. 29 „ 11.0 „	Wed. 29 „ 4.30 p.m.	Thurs. 30 „ 7.20 „	Thurs. 30 „ 1.40 „
„ 22	Persia - -	Queenstown	Sat. 1 Feb.	Mon. 3 Feb. 7.30 a.m.	Mon. 3 Feb. 7.0 „	Mon. 3 Feb. 7.15 „	Mon. 3 Feb. 9.45 a.m.	Mon. 3 Feb. 7.0 a.m.
„ 23	Bremen - -	Southampton	Tues. 4 „	Tues. 4 „ 1.15 p.m.	Wed. 5 „ 7.0 „	Wed. 5 „ 7.15 a.m.	Wed. 5 „ 8.36 a.m.	Wed. 5 „ 12.15 p.m.
„ 25	City of Boston -	Queenstown	Tues. 4 „	Wed. 5 „ 9.0 a.m.	Wed. 5 „ 7.0 „	Wed. 5 „ 12.45 p.m.	Wed. 5 „ 7.42 p.m.	Wed. 5 „ 7.0 a.m.
„ 28	Germania - -	Southampton	Sat. 8 „	Sat. 8 „ 1.42 „	Sun. 9 „ 7.0 „	Sun. 9 „ 7.15 a.m.	Sun. 9 „ 8.32 a.m.	Mon. 10 „ 7.0 „
„ 30‡	Australasian -	Queenstown	Sat. 8 „	Mon. 10 „ 7.15 „	Sun. 9 „ 7.0 „	Sun. 9 „ 7.15 „	Mon. 10 „ 8.10 „	Sun. 9 „ 8.0 „
„ 30	Weser - -	Southampton	Sun. 9 „	Mon. 10 „ 7.15 „	Mon. 10 „ 7.0 „	Mon. 10 „ 7.15 „	Mon. 10 „ 8.10 „	Mon. 10 „ 12.15 p.m.

* The hours given here are those at which the letters were sent out for delivery by letter carrier, but in many instances the holders of private boxes obtained their letters somewhat earlier.
† The Packet was prevented calling at Queenstown by dense fog.
‡ Detained by severe snow storm.

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of February 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow*, and *Belfast*.

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
FEBRUARY:								
Feb. 1	City of Antwerp	Queenstown	Mon. 10 Feb.	Wed. 12 Feb. 9.0 a.m.	Wed. 12 Feb. 7.0 a.m.	Wed. 12 Feb. 12.45 p.m.	Wed. 12 Feb. 8.50 a.m.	Wed. 12 Feb. 7.0 a.m.
„ 5	Russia - -	Queenstown	Fri. 14 „	Mon. 17 „ 7.30 „	Sat. 15 „ 11.0 „	Sat. 15 „ 4.30 „	Sat. 15 „ 7.54 p.m.	Sat. 15 „ 12.15 p.m.
„ 6	New York -	Southampton	Mon. 17 „	Mon. 17 „ 7.20 p.m.	Tues. 18 „ 7.0 „	Tues. 18 „ 7.15 a.m.	Tues. 18 „ 8.50 a.m.	Tues. 18 „ 12.25 „
„ 8	City of London -	Queenstown	Tues. 18 „	Wed. 19 „ 7.15 „	Wed. 19 „ 6.15 p.m.	Thurs. 20 „ 7.15 „	Thurs. 20 „ 7.24 „	Wed. 19 „ 12.20 „
„ 11	Allemannia -	Southampton	Sat. 22 „	Sat. 22 „ 2.0 „	Sun. 23 „ 7.0 a.m.	Sun. 23 „ 7.15 „	Sun. 23 „ 8.35 „	Mon. 24 „ 7.0 a.m.
„ 12	Siberia - -	Queenstown	Sat. 22 „	Mon. 24 „ 7 20 a.m.	Mon. 24 „ 7.0 „	Mon. 24 „ 7.0 „	Mon. 24 „ 8.8 „	Mon. 24 „ 7.0 „
„ 13	Union - -	Southampton	Sun. 23 „	Mon. 24 „ 7.20 „	Mon. 24 „ 1.30 p.m.	Mon. 24 „ 12.45 p.m.	Tues. 25 „ 7.20 „	Tues. 25 „ 7.0 „
„ 15	City of Paris -	Queenstown	Mon. 24 „	Tues. 25 „ 7.30 p.m.	Tues. 26 „ 4.5 „	Wed. 26 „ 7.0 a.m.	Wed. 26 „ 8.25 „	Tues. 25 „ 12.25 p.m.
„ 19	Java - -	Queenstown	Fri. 28 „	Sat. 29 „ 9·0 a.m.	Sat. 29 „ 7.0 a.m.	Sat. 29 „ 7.0 „	Sat. 29 „ 7.28 „	Fri. 28 „ 8.0 „
„ 20	No ship.	—	—	—	—	—	—	—
„ 22	City of Baltimore	Queenstown	Mon. 2 Mar.	Tues. 3 Mar. 7.40 p.m.	Tues. 3 Mar. 4.15 p.m.	Wed. 4 Mar. 7.0 a.m.	Wed. 4 Mar. 8.37 a.m.	Tues. 3 Mar. 12.25 p.m.
„ 25	Cimbria - -	Southampton	Fri. 6 „	Sat. 7 „ 7.30 a.m.	Sat. 7 „ 1.30 „	Sat. 7 „ 12.45 p.m.	Sun. 8 „ 8.17 „	Sun. 8 „ 8.0 a.m.
„ 26	Palmyra - -	Queenstown	Sun. 8 „	Mon. 9 „ 9.0 „	Mon. 9 „ 7.0 a.m.	Mon. 9 „ 7.0 a.m.	Mon. 9 „ 7.33 p.m.	Mon. 9 „ 7.0 „
„ 27	Deutschland -	Southampton	Sun. 8 „	Mon. 9 „ 7.30 „	Mon. 9 „ 1.30 p.m.	Mon. 9 „ 4.30 p.m.	Tues. 10 „ 7.6 a.m.	- - No Mail.
„ 29	City of Boston -	Queenstown	Wed. 11 „	Thurs. 12 „ 9.0 „	Thurs. 12 „ 7.0 a.m.	Thurs. 12 „ 12.45 „	Thurs. 12 „ 7 27 p.m.	Thurs. 12 Mar. 7.0 a.m.

* The hours given here are those at which the letters were sent out for delivery by letter carrier, but in many instances the holders of private boxes obtained their letters somewhat earlier.

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of March 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow*, and *Belfast*.

Date of Despatch	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
MARCH:								
March 4	Cuba - -	Queenstown	Sat. 14 Mar.	Mon. 16 Mar. 7.15 a.m.	Mon. 16 Mar. 7.0 a.m.	Sun. 15 Mar. 7.0 a.m.	Mon. 16 Mar. 8.7 a.m.	Sat. 14 Mar. 7.50 p m.
„ 5	Hansa - -	Southampton	Sun. 15 „	Mon. 16 „ 9.0 „	Mon. 16 „ 4.10 p.m.	Mon. 16 „ 4.30 p.m.	Tues. 17 „ 7.14 „	Tues. 17 „ 12.25 „
„ 7	City of Antwerp	Queenstown	Tues. 17 „	Thurs. 19 „ 9.0 „	Thurs. 19 „ 7.0 a.m.	Thurs. 19 „ 7.0 a.m.	Thurs. 19 „ 8.24 „	Wed. 18 „ 7.55 „
„ 10	Bremen - -	Southampton	Sat. 21 „	Mon. 23 „ 7.30 „	Mon. 23 „ 7.0 „	Mon. 23 „ 7.0 „	Mon. 23 „ 8.10 „	Mon. 23 „ 12.15 „
„ 11	Australasian -	Queenstown	Sat. 21 „	Mon. 23 „ 7.30 „	Sun. 22 „ 7.0 „	Sun. 22 „ 7.0 „	Sun. 22 „ 8.27 „	Sat. 21 „ 7.55 „
„ 12	Weser - -	Southampton	Mon. 23 „	Mon. 23 „ 4.30 p.m.	Tues. 24 „ 7.0 „	Tues. 24 „ 7.0 „	Tues. 24 „ 8.40 „	Tues. 24 „ 12.25 „
„ 14	City of New York	Queenstown	Wed. 25 „	Thurs. 26 „ 9.0 a.m.	Thurs. 26 „ 7.0 „	Thurs. 26 „ 12.45 p.m.	Thurs. 26 „ 8.20 „	Wed. 25 „ 7.55 „
„ 18	Russia - -	Queenstown	Fri. 27 „	Sat. 28 „ 9.0 „	Sat. 28 „ 7.0 „	Sat. 28 „ 7.0 a.m.	Sat. 28 „ 7.30 p.m.	Sat. 28 „ 7.0 a.m.
„ 19	Hermann - -	Southampton	Tues. 31 „	Tues. 31 „ 7.30 p.m.	Wed. 1 Apr. 7.0 „	Wed. 1 Apr. 7.0 „	Wed. 1 Apr. 8.25 a.m.	Wed. 1 Apr. 12.20 p.m
„ 21	City of London -	Queenstown	Wed. 1 April	Thurs. 2 Apr. 9.0 a.m.	Thurs. 2 „ 7.0 „	Thur. 2 „ 12.45 p.m.	Thurs. 2 „ 8.28 „	Wed. 1 „ 7.50 „
„ 24	Germania - -	Southampton	Sat. 4 „	Mon. 6 „ 7.30 „	Mon. 6 „ 7.0 „	Mon. 6 „ 7.0 a.m.	Mon. 6 „ 8.30 „	Mon. 6 „ 12.15 „
„ 25	Siberia - -	Queenstown	Sat. 4 „	Mon. 6 „ 7.30 „	Mon. 6 „ 7.0 „	Mon. 6 „ 7.0 „	Mon. 6 „ 8.30 „	Mon. 6 „ 7.0 a.m.
„ 26	New York -	Southampton	Mon. 6 „	Mon. 6 „ 1.40 p.m.	Tues. 7 „ 7.0 „	Tues. 7 „ 7.0 „	Tues. 7 „ 8.24 „	Tues. 7 „ 12.25 p.m.
„ 28	City of Baltimore	Queenstown	Tues. 7 „	Wed. 8 „ 7.45 „	Wed. 8 „ 6.0 p.m.	Thurs. 9 „ 7.0 „	Thurs. 9 „ 8.16 „	Wed. 8 „ 12.20 „
„ 31	Allemannia -	Southampton	Sat. 11 „	Sat. 11 „ 5.30 „	Sun. 12 „ 7.0 a.m.	Sun. 12 „ 7.0 „	Sun. 12 „ 8.18 „	Mon. 13 „ 7.0 a.m.

* The hours given here are those at which the letters were sent out for delivery by letter carrier, but in many instances the holders of private boxes obtained their letters somewhat earlier.

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of April 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow*, and *Belfast*.

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
APRIL:								
1 April	Java - -	Queenstown	Fri. 10 Apr.	Sat. 11 April, 9.0 a.m.	Sat. 11 April, 7.0 a.m.	Sat. 11 April, 7.0 a.m.	Sat. 11 April, 7.30 a.m.	Sat. 11 April, 7.0 a.m.
2 „	Union - -	Southampton	Sun. 12 „	Mon. 13 „ 7.30 „	Mon. 13 „ 1.37 p.m.	Mon. 13 „ 12.45 p.m.	Tues. 14 „ 7.5 „	Tues. 14 „ 7.0 „
4 „	City of Boston -	Queenstown	Tues. 14 „	Wed. 15 „ 7.25 p.m.	Wed. 15 „ 6.0 „	Thurs. 16 „ 7.0 a.m.	Thurs. 16 „ 8.25 „	Wed. 15 „ 12.15 p.m.
7 „	Cimbria - -	Southampton	Fri. 17 „	Fri. 17 „ 4.25 „	Sat. 18 „ 7.0 a.m.	Sat. 18 „ 7.0 „	Sat. 18 „ 8.20 „	Sat. 18 „ 12.20 „
8 „	China - -	Queenstown	Fri. 17 „	Sat. 18 „ 7.20 a.m.	Sat. 18 „ 7.0 „	Sat. 18 „ 7.0 „	Sat. 18 „ 7.30 p.m.	Sat. 18 „ 7.0 a.m.
9 „	Hansa - -	Southampton	Mon. 20 „	Tues. 21 „ 7.30 „	Tues. 21 „ 1.40 p.m.	Tues. 21 „ 12.45 p.m.	Wed. 22 „ 7.9 a.m.	Wed. 22 „ 7.0 „
11 „	City of Antwerp	Queenstown	Tues. 21 „	Wed. 22 „ 9.0 „	Wed. 22 „ 7.0 a.m.	Wed. 22 „ 7.0 a.m.	Wed. 22 „ 7.30 p.m.	Wed. 22 „ 7.0 „
14 „	Saxonia - -	Southampton	Sat. 25 „	Mon. 27 „ 7.30 „	Mon. 27 „ 7.0 „	Mon. 27 „ 7.0 „	Mon. 27 „ 8.0 a.m.	Mon. 27 „ 12.15 p.m.
15 „	Australasian -	Queenstown	Fri. 24 „	Sat. 25 „ 9.0 „	Sat. 25 „ 7.0 „	Sat. 25 „ 7.0 „	Sat. 25 „ 7.36 p.m.	Sat. 25 „ 7.0 a.m.
17 „	Bremen - -	Southampton	Mon. 27 „	Tues. 28 „ 7.30 „	Tues. 28 „ 1.45 p.m.	Tues. 28 „ 4.30 p.m.	Wed. 29 „ 7.15 a.m.	Wed. 29 „ 7.0 „
18 „	City of Paris -	Queenstown	Mon. 27 „	Tues. 28 „ 9.0 „	Tues. 28 „ 7.0 a.m.	Tues. 28 „ 12.45 p.m.	Tues. 28 „ 7.34 p.m.	Tues. 28 „ 7.0 „
21 „	Hammonia -	Southampton	Fri. 1 May	Fri. 1 May, 7.30 p.m.	Sat. 2 May, 7.0 a.m.	Sat. 2 May 7.0 a.m.	Sat. 2 May, 8.34 a.m.	Sat. 2 May, 12.25 p.m.
22 „	Russia - -	Queenstown	Fri. 1 „	Sat. 2 „ 9.0 a.m.	Sat. 2 „ 7.0 „	Sat. 2 „ 7.0 „	Sat. 2 „ 7.18 „	Fri. 1 „ 7.55 „
23 „	Weser - -	Southampton	Mon. 4 „	Mon. 4 „ 3.10 p.m.	Tues. 5 „ 7.0 „	Tues. 5 „ 7.0 „	Tues. 5 „ 8.28 „	Tues. 5 „ 12.2 „
25 „	City of London	Queenstown	Wed. 6 „	Thurs. 7 „ 9.0 a.m.	Thur. 7 „ 7.0 „	Thurs. 7 „ 12.45 p.m.	Thur. 7 „ 8.16 „	Wed. 6 „ 7.50 „
28 „	Teutonia - -	Southampton	Mon. 11 „	Mon. 11 „ 2.35 p.m.	Tues. 12 „ 7.0 „	Tues. 12 „ 7.0 a.m.	Tues. 12 „ 8.18 „	Tues. 12 „ 7.0 a.m.
29 „	Scotia - -	Queenstown	Fri. 8 „	Sat. 9 „ 9.30 a.m.	Sat. 9 „ 7.0 „	Sat. 9 „ 7.0 a.m.	Sat. 9 „ 7.30 p.m.	Sat. 9 „ 7.0 „
30 „	Hermann - -	Southampton	Sun. 10 „	Mon. 11 „ 7.30 „	Mon. 11 „ 1.30 p.m.	Mon. 11 „ 12.35 p.m.	Tues. 12 „ 7.8 a.m.	- - No Mail.

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STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of May 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow*, and *Belfast*.

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
MAY:								
May 2	City of Baltimore	Queenstown	Tues. May 12	Wed. 13 May, 9.0 a.m.	Wed. 13 May, 7.0 a.m.	Wed. 13 May, 11.6 a.m.	Wed. 13 May, 7.36 p.m.	Wed. 13 May, 7.0 a.m.
„ 5	Germania - -	Southampton	Sat. „ 16	Sat. 16 „ 7.25 „	Sun. 17 „ 7.0 „	Sun. 17 „ 7.0 „	Sun. 17 „ 8.8 a.m.	Mon. 18 „ 7.0 „
„ 6	Java - -	Queenstown	Fri. „ 15	Sat. 16 „ 9.0 „	Sat. 16 „ 7.0 „	Sat. 16 „ 7.0 „	Sat. 16 „ 7.30 p.m.	Sat. 16 „ 7.0 „
„ 7	Union - -	Southampton	Sun. „ 17	Mon. 18 „ 7.30 „	Mon. 18 „ 2.0 p.m.	Mon. 18 „ 12.45 p.m.	Tues. 19 „ 7.20 a m.	Tues. 19 „ 7.0 „
„ 9	City of Boston -	Queenstown	Wed. „ 20	Thurs. 21 „ 9.0 „	Thurs. 21 „ 7.0 a.m.	Thurs. 21 „ 12.45 „	Thurs. 21 „ 7.30 p.m.	Thurs. 21 „ 7.0 „
„ 12	Allemannia -	Southampton	Sat. „ 23	Mon. 25 „ 7.30 „	Mon. 25 „ 7.0 „	Mon. 25 „ 7.0 a.m.	Mon. 25 „ 8.0 a.m.	Mon. 25 „ 12.15 p.m.
„ 13	China - -	Queenstown	Mon. „ 25	Tues. 26 „ 7.45 p.m.	Tues. 26 „ 4.0 p.m.	Tues. 26 „ 4 30 p.m.	Wed. 27 „ 8.15 „	Tues. 26 „ 12 25 „
„ 14	New York -	Southampton	Mon. „ 25	Mon. 25 „ 7.35 „	Mon. 25 „ 1.30 „	Tues. 26 „ 7.0 a.m.	Tues. 26 „ 8.15 „	Tues. 26 „ 12.25 „
„ 16	City of Antwerp	Queenstown	Mon. „ 25	Wed. 27 „ 9.0 a.m.	Wed. 27 „ 7.0 a.m.	Wed, 27 „ 7.0 „	Wed. 27 „ 8.15 „	Tues. 26 „ 7.50 „
„ 19	Cimbria - -	Southampton	Sat. „ 30	Sat. 30 „ 7.30 „	Sat. 30 „ 1.30 p.m.	Sat. 30 „ 4.30 p.m.	Sun. 31 „ 8.13 „	Sun. 31 „ 8.0 a.m.
„ 20	Australasian -	Queenstown	Sat. „ 30	Mon. 1 June, 7.30 „	Sun. 31 „ 7.0 a.m.	Sun. 31 „ 7.0 a.m.	Sun. 31 „ 8.13 „	Sat. 30 „ 7.55 p.m.
„ 21	Deutschland -	Southampton	Sun. „ 31	Mon. 1 „ 7.30 „	Mon. 1 June 2.7 p.m.	Mon. 1 June, 12.45 p.m.	Tues. 2 June, 7.5 „	- - No Mail.
„ 23	City of Paris -	Queenstown	Mon. June 1	Wed. 3 „ 7.30 „	Tues. 2 „ 3.45 „	Wed. 3 „ 7.0 a.m.	Wed. 3 „ 8.14 „	Tues. 2 June, 12.20 p.m.
„ 26	Saxonia - -	Southampton	Sun. „ 7	Mon. 8 „ 7.0 „	Mon. 8 „ 7.0 a.m.	Mon. 8 „ 7.0 „	Mon. 8 „ 8.10 „	Mon. 8 „ 12.15 „
„ 27	Russia - -	Queenstown	Fri. „ 5	Sat. 6 „ 9.0 „	Sat. 6 „ 7.0 „	Sat. 6 „ 7.0 „	Sat. 6 „ 7.8 „	Fri. 5 „ 7.55 „
„ 28	Hansa - -	Southampton	Mon. „ 8	Mon. 8 „ 6.25 p.m.	Tues. 9 „ 7.0 „	Tues. 9 „ 7.0 „	Tues. 9 „ 8.36 „	Tues. 9 „ 12.25 „
„ 30	City of London -	Queenstown	Wed. „ 10	Thurs. 11 „ 9.0 a.m.	Thurs. 11 „ 7.0 „	Thurs. 11 „ 12.45 p.m.	Thur. 11 „ 7.28 p.m.	Thur. 11 „ 7.0 a.m.

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STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of June 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London*, *Liverpool*, *Manchester*, *Glasgow*, and *Belfast*.

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	*TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
JUNE:								
June 2	Hammonia -	Southampton	Fri. 12 June	Sat. 13 June, 7.30 a.m.	Sat. 13 June, 1.30 p.m.	Sat. 13 June, 1.30 p.m.	Sun. 14 June, 8.32 a.m.	Sun. 14 June, 8.0 a.m.
„ 3	Scotia - -	Queenstown	Fri. 12 „	Sat. 13 „ 9.0 „	Sat. 13 „ 7.0 a.m.	Sat. 13 „ 7.0 a.m.	Sat. 13 „ 7.24p.m.	Sat. 13 „ 9.0 „
„ 4	Bremen - -	Southampton	Mon. 15 „	Tues. 16 „ 7.30 „	Tues. 16 „ 1.30 p.m.	Tues. 16 „ 12.45 p.m.	Wed. 17 „ 7.15 a.m.	Wed. 17 „ 7.0 „
„ 6	City of Baltimore	Queenstown	Tues. 16 „	Wed. 17 „ 9.0 „	Wed. 17 „ 7.0 a.m.	Wed. 17 „ 12.45 „	Wed. 17 „ 8.40 „	Wed. 17 „ 7.0 „
„ 9	Teutonia - -	Southampton	Mon. 22 „	Mon. 22 „ 1.30 p.m.	Tues. 23 „ 7.0 „	Tues. 27 „ 7.0 a.m.	- - No Mail. -	Tues. 23 „ 12.20 p.m.
„ 10	Java - -	Queenstown	Fri. 19 „	Sat. 20 „ 8.0 „	Sat. 20 July, 11.7 „	Sat. 20 „ 12.45 p.m.	Sat. 20 June, 12.45 p.m.	Sat. 20 „ 1.15 „
„ 11	America - -	Southampton	Mon. 22 „	Mon. 22 „ 7.30 „	Tues. 23 June, 7.0 „	Tues. 23 „ 7.0 a.m.	Tues. 23 „ 8.20 a.m.	Tues. 23 „ 12.20 „
„ 13	City of Boston -	Queenstown	Wed. 24 „	Th. 25 „ 7.45 „	Wed. 24 „ 4.6 p.m.	Thu. 25 „ 7.0 „	Thu. 25 „ 8.20 „	Wed. 24 „ 12.15 „
„ 16	Germania - -	Southampton	Sat. 27 „	Mon. 29 „ 7.30 a.m.	Mon. 29 „ 7.0 a.m.	Mon. 29 „ 7.0 „	Mon. 29 „ 8.10 „	Mon. 29 „ 12.5 „
„ 17	Cuba - -	Queenstown	Fri. 26 „	Sat. 27 „ 7.45 p.m.	Sat. 27 „ 4.10 p.m.	Sat. 27 „ 4.30 p.m.	Sun. 28 „ 8.10 „	Sat. 27 „ 12.15 „
„ 18	Weser - -	Southampton	Sun. 28 „	Mon. 29 „ 7.30 a.m.	Mon. 29 „ 1.30 „	Mon. 29 „ 12.45 „	Tues. 30 „ 7.5 „	Tues. 30 „ 7.0 a.m.
„ 20	City of Antwerp	Queenstown	Tues. 30 „	Wed. 1 July 9.0 „	Wed. 1 July, 7.0 a.m.	Wed. 1 July, 12.45 „	Wed. 1 July, 7.15 „	- - No Mail.
„ 23	Allemannia -	Southampton	Sat. 4 July	Mon. 6 „ 7.30 „	Mon. 6 „ 7.0 „	Mon. 6 „ 7.0 a.m.	Mon. 6 „ 8.4 „	Mon. 6 July, 12.15 p.m.
„ 24	Australasian -	Queenstown	Sat. 4 „	Mon. 6 „ 7.30 „	Sun. 5 „ 7.0 „	Sun. 5 „ 7.0 „	Mon. 6 „ 8.4 p.m.	Sun. 5 „ 8.0 a.m.
„ 25	Hermann - -	Southampton	Mon. 6 „	Tues. 7 „ 7.30 „	Tues. 7 „ 1.30 p.m.	Tues. 7 „ 12.45 p.m.	Wed. 8 „ 7.14 a.m.	Wed. 8 „ 7.0 „
„ 27	City of Paris -	Queenstown	Tues. 7 „	Wed. 8 „ 9.0 „	Wed. 8 „ 7.0 a.m.	Wed. 8 „ 12.45 „	Wed. 8 „ 7.14 „	Wed. 8 „ 7.0 „
„ 30	Holsatia - -	Southampton	Fri. 10 „	Fri. 10 „ 12.30 p.m.	Sat. 11 „ 7.0 a.m.	Sat. 11 „ 7.0 a.m.	Sat. 11 „ 8.20 „	Sat. 11 „ 5.10 p.m.

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STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of July 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London*, *Liverpool*, *Manchester*, *Glasgow*, and *Belfast*.

Date of Despatch	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
JULY:								
July 1	Russia - -	Queenstown	Fri. 10 July	Sat. 11 July, 9.0 a.m.	Sat. 11 July, 7.0 a.m.	Sat. 11 July, 7.0 a.m.	Sat. 11 July, 7.25 p.m.	Sat. 11 July, 7.0 a.m.
„ 2	Union - -	Southampton	Mon. 13 „	Mon. 13 „ 2.28 p.m.	Tues. 14 „ 7.0 „	Tues. 14 „ 7.0 „	Tues. 14 „ 8.17 a.m.	Tues. 14 „ 12.17 p.m.
„ 4	City of London -	Queenstown	Tues. 14 „	Thurs. 16 „ 9.0 a.m.	Thurs. 16 „ 7.0 „	Thurs. 16 „ 7.0 „	Thurs. 16 „ 7.8 „	Thurs. 16 „ 7.0 a.m.
„ 7	Cimbria - -	Southampton	Fri. 17 „	Sat. 18 „ 7.30 „	Sat. 18 „ 1.33 p.m.	Sat. 18 „ 4.30 p.m.	Sun. 19 „ 8.16 „	Sun. 19 „ 8.0 „
„ 8	Scotia - -	Queenstown	Fri. 17 „	Sat. 18 „ 7.55 p.m.	Sat. 18 „ 11.10 a.m.	Sat. 18 „ 4.30 „	Sun. 19 „ 8.16 „	Sat. 18 „ 12.25 p.m.
„ 9	Deutschland -	Southampton	Mon. 20 „	Tues. 21 „ 7.30 a.m.	Tues. 21 „ 1.40 p.m.	Tues. 21 „ 12.45 „	Wed. 22 „ 7.0 „	Wed. 22 „ 7.0 a.m.
„ 11	City of Baltimore	Queenstown	Tues. 21 „	Wed. 22 „ 7.45 p.m.	Wed. 22 „ 4.5 „	Thurs. 23 „ 7.0 a.m.	Thurs. 23 „ 8.18 „	Wed. 22 „ 12.11 p.m.
„ 14	Saxonia - -	Southampton	Sun. 26 „	Mon. 27 „ 7.30 a.m.	Mon. 27 „ 1.40 „	Mon. 27 „ 12.45 p.m.	Tues. 28 „ 7.0 „	Tues. 28 „ 7.0 a.m.
„ 15	China - -	Queenstown	Fri. 24 „	Mon. 27 „ 7.30 „	Sat. 25 „ 7.45 „	Sun. 26 „ 7.0 a.m.	Sun. 26 „ 8.17 „	Sun. 26 „ 8.0 „
„ 16	Hansa - -	Southampton	Tues. 28 „	Tues. 28 „ 12.20 p.m.	Wed. 29 „ 7.0 a.m.	Wed. 29 „ 7.0 „	Wed. 29 „ 8.30 „	- - No Mail.
„ 18	City of Boston -	Queenstown	Tues. 28 „	Thurs. 30 „ 9.0 a.m.	Thurs. 30 „ 7.0 „	Thurs. 30 „ 7.0 „	Thurs. 30 „ 7.10 „	- - No Mail.
„ 21	Hammonia -	Southampton	Sat. 1 Aug.	Sat. 1 Aug. 9.0 „	Sat. 1 Aug. 4.20 p.m.	Sat. 1 Aug. 4.30 p.m.	Sun. 2 Aug. 8.38 „	Mon. 3 Aug. 7.0 a.m.
„ 22	Cuba - -	Queenstown	Sat. 1 „	Mon. 3 „ 7.30 „	Sun. 2 „ 7.0 a.m.	Sun. 2 „ 7.0 a.m.	Sun. 2 „ 8.38 „	Sat. 1 „ 8.5 p.m.
„ 23	Bremen - -	Southampton	Tues. 4 „	Tues. 4 „ 5.30 p.m.	Wed. 5 „ 7.0 „	Wed. 5 „ 7.0 „	Wed. 5 „ 8.37 „	- - No Mail.
„ 25	City of Antwerp	Queenstown	Tues. 4 „	Wed. 5 „ 7.30 „	Wed. 5 „ 1.34 p.m.	Thurs. 6 „ 7.0 „	Thurs. 6 „ 7.9 „	Wed. 5 Aug. 12.30 p.m.
„ 28	Germania - -	Southampton	Sat. 8 „	Mon. 10 „ 7.30 a.m.	Mon. 10 „ 7.0 a.m.	Mon. 10 „ 7.0 „	Mon. 10 „ 8.18 „	Mon. 10 „ 12.15 „
„ 29	Java - -	Queenstown	Fri. 7 „	Sat. 8 „ 9.0 „	Sat. 8 „ 7.0 „	Sat. 8 „ 7.0 „	Sat. 8 „ 7.20 p.m.	Sat. 8 „ 7.0 a.m.
„ 30	America - -	Southampton	Mon. 10 „	Mon. 10 „ 3.30 p.m.	Tues. 11 „ 7.0 „	Tues. 11 „ 7.0 „	Tues. 11 „ 8.57 a.m.	Tues. 11 „ noon.

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STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of August 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow*, and *Belfast*

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
AUGUST:								
Aug. 1	City of Paris -	Queenstown	Mon. 10 Aug.	Tues. 11 Aug. 8.0 p.m.	Tues. 11 Aug 11.8 a.m.	Tues. 11 Aug. 12.45 p.m.	Wed. 12 Aug. 7.16 a.m.	Tues 11 Aug. noon.
„ 4	Allemannia -	Southampton	Sun. 16 „	Mon. 17 „ 7.30 a.m.	Mon. 17 „ 7.0 „	Mon. 17 „ 7. 0 a.m.	Mon. 17 „ 8.8 „	Mon. 17 „ 12.15 p.m.
„ 5	Australasian -	Queenstown	Fri. 14 „	Sat. 15 „ 7.55 p.m.	Sat. 15 „ 4.10 p.m.	Sat. 15 „ 4.30 p.m.	Sun. 16 „ 8.26 „	Sat. 15 „ 12.20 „
„ 6	Weser - -	Southampton	Sun. 16 „	Mon. 17 „ 7.30 a.m.	Mon. 17 „ 1.30 „	Mon. 17 „ 4.30 „	Tues. 18 „ 7.5 „	Tues. 18 „ 7.0 a.m.
„ 8	City of London -	Queenstown	Tues. 18 „	Wed. 19 „ 9.0 „	Wed. 19 „ 7.0 a.m.	Wed. 19 „ 12.45 „	Wed. 19 „ 7.26 p.m.	Wed. 19 „ 7.0 „
„ 11	Holsatia - -	Southamp on	Fri. 21 „	Fri. 21 „ 5.30 p.m.	Sat. 22 „ 7.0 „	Sat. 22 „ 7.0 a.m.	Sat. 22 „ 8.29 a.m.	Sat. 22 „ 12.16 p.m.
„ 12	Scotia - -	Queenstown	Fri. 21 „	Sat. 22 „ 9.0 a.m.	Fri. 21 „ 7.30 p.m.	Sat. 22 „ 7.0 „	Sat. 22 „ 7.15 „	Fri. 21 „ 8.0 „
„ 13	Hermann - -	Southampton	Mon. 24 „	Tues. 25 „ 7.30 „	Tues. 25 „ 1.30 „	Tues. 25 „ 12.45 p.m.	Wed. 26 „ 7.8 „	- - No Mail.
„ 15	City of Baltimore	Queenstown	Tues. 25 „	Wed. 26 „ 9.0 „	Wed. 26 „ 7.0 a.m.	Wed. 26 „ 12.45 „	Wed. 26 „ 7.26 p.m.	Wed. 26 Aug. 7.0 a.m.
„ 18	Cimbria - -	Southampton	Fri. 28 „	Sat. 29 „ 7.30 „	Sat. 29 „ 1.30 p.m.	Sat. 29 „ 12.45 „	Sun. 30 „ 8.45 a.m.	Sun. 30 „ 8.0 „
„ 19	Russia - -	Queenstown	Fri. 28 „	Sat. 29 „ 9.0 „	Sat. 29 „ 7.0 a.m.	Sat. 29 „ 7.0 a.m.	Sat. 29 „ 7.0 „	Fri. 28 „ 7.55 p.m.
„ 20	Union - -	Southampton	Mon. 31 „	Mon. 31 „ 4.35 p.m.	Tues. 1 Sept. 7.0 „	Tues. 1 Sept. 7.0 „	Tues. 1 Sept. 8.5 „	Tues. 1 Sept. 0.30 „
„ 22	City of Boston -	Queenstown	Tues. 1 Sept.	Wed. 2 Sept. 7.30 „	Wed. 2 „ 6.0 p.m.	Thurs. 3 „ 7.0 „	Thurs. 3 „ 8.34 „	- - No Mail.
„ 25	Saxonia - -	Southampton	Sat. 5 „	Mon. 7 „ 7.30 a.m.	Mon. 7 „ 7.0 a.m.	Mon. 7 „ 7.0 „	Mon. 7 „ 8.21 „	Mon. 7 Sept. 0.20 p.m.
„ 26	China - -	Queenstown	Fri. 4 „	Sat. 5 „ 9.0 „	Sat. 5 „ 7.0 „	Sat. 5 „ 7.0 „	Sat. 5 „ 7.25 p.m.	Sat. 5 „ 7.0 a.m.
„ 27	New York -	Southampton	Tues. 8 „	Wed. 9 „ 7.30 „	Wed. 9 „ 1.28 p.m.	Wed. 9 „ 0.45 p.m.	Thurs. 10 „ 7.3 a.m.	Thurs. 10 „ 7.0 „
„ 29	City of Antwerp	Queenstown	Tues. 8 „	Wed. 9 „ 9.0 „	Wed. 9 „ 7.0 a.m.	Wed. 9 „ 0.45 „	Wed. 9 „ 7.25 p.m.	Wed. 9 „ 7.0 „

* The hours given here are those at which the letters were sent out for delivery by letter carriers, but in many instances the holders of private boxes obtained their letters somewhat earlier.

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of September 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow*, and *Belfast*.

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
SEPTEMBER:								
Sept. 1	Hammonia -	Southampton	Fri. 11 Sep.	Sat. 12 Sep. 7.30 a.m.	Sat. 12 Sept. 1.35 p.m.	Sat. 12 Sept. 4.30 p.m.	Sun. 13 Sept. 8.10 a.m.	Sun. 13 Sept. 8.0 a.m.
„ 2	Cuba - -	Queenstown	Fri. 11 „	Sat. 12 „ 7.35 p.m.	Sat. 12 „ 4.15 „	Sat. 12 „ 4.30 „	Sun. 13 „ 8.10 „	Sat. 12 „ 0.30 p.m.
„ 3	Deutschland -	Southampton	Tues. 15 „	Tues. 15 „ 3.30 „	Wed. 16 „ 7.0 a.m.	Wed. 16 „ 7.0 a.m.	Wed. 16 „ 8.32 „	- - No Mail.
„ 5	City of Paris -	Queenstown	Mon. 14 „	Tues. 15 „ 8.0 „	Tues. 15 „ 1.30 p.m.	Tues. 15 „ 4.30 p.m.	Wed. 16 „ 7.5 „	Tues. 15 „ 0.20 „
„ 8	Germania - -	Southampton	Sun. 20 „	Mon. 21 „ 7.30 a.m.	Mon. 21 „ 7.0 a.m.	Mon. 21 „ 7.0 a.m.	Mon. 21 „ 8.12 „	Mon. 21 „ 0.20 „
„ 9	Java - -	Queenstown	Fri. 18 „	Sat. 19 „ 7.55 p.m.	Sat. 19 „ 4.3 p.m.	Sat. 19 „ 4.30 p.m.	Sun. 20 „ 8.44 „	Sat. 19 „ 0.30 „
„ 10	Hansa - -	Southampton	Mon. 21 „	Mon. 21 „ 5.30 „	Tues. 22 „ 7.0 a.m.	Tues. 22 „ 7.0 a.m.	Tues. 22 „ 8.42 „	Thurs. 24 „ 8.0 „
„ 12	City of London -	Queenstown	Thurs. 24 „	Fri. 25 „ 9.0 a.m.	Fri. 25 „ 7.0 „	Fri. 25 „ 0.45 p.m.	Fri. 25 „ 7.10 „	Fri. 25 „ 7.0 a.m.
„ 15	Allemannia -	Southampton	Sun. 27 „	Mon. 28 „ 7.30 „	Mon. 28 „ 1.30 p.m.	Mon. 28 „ 0.45 „	Tues. 29 „ 7.12 „	Tues. 29 „ 7.0 „
„ 16	Scotia - -	Liverpool†	Sat. 26 „	Mon. 28 „ 7.30 „	Sun. 27 „ 7.0 a.m.	Sun. 27 „ 7.0 a.m.	Sun. 27 „ 8.23 „	- - No Mail.
„ 17	America - -	Southampton	Tues. 29 „	Tues. 29 „ 3.50 p.m.	Wed. 30 „ 7.0 „	Wed. 30 „ 7.0 „	Wed. 30 „ 8.30 „	- - No Mail.
„ 19	City of Baltimore	Queenstown	Tues. 29 „	Wed. 30 „ 9.0 a.m.	Wed. 30 „ 7.0 „	Wed. 30 „ 0.45 p.m.	Thurs. 1 Oct. 7.10 „	- - No Mail.
„ 22	Holsatia - -	Southampton	Fri. 2 Oct.	Sat. 3 Oct. 7.30 „	Sat. 3 Oct. 1.30 p.m.	Sat. 3 Oct. 0.45 „	Sun. 4 „ 7.25 „	Sat. 3 Oct. 7.0 a.m.
„ 23	Russia - -	Queenstown	Fri. 2 „	Sat. 3 „ 9.0 „	Sat. 3 „ 7.0 a.m.	Sat. 3 „ 7.0 a.m.	Sun. 4 „ 8.25 „	Sun. 4 „ 8.0 „
„ 24	Weser - -	Southampton	Mon. 5 „	Mon. 5 „ 11.30 „	Tues. 6 „ 7.0 „	Tues. 6 „ 7.0 „	Tues. 6 „ 8.36 „	Tues. 6 „ noon.
„ 26	City of Boston -	Queenstown	Tues. 6 „	Wed. 7 „ 7.50 p.m.	Wed. 7 „ 6.0 p.m.	Thurs. 8 „ 7.0 „	Thurs. 8 „ 8.17 „	- - No Mail.
„ 29	Cimbria - -	Southampton	Fri. 9 „	Sat. 10 „ 7.30 a.m.	Sat. 10 „ 1.40 „	Sat. 10 „ 0.45 p.m.	Sun. 11 „ 8.25 „	Sun. 11 Oct. 8.0 a.m.
„ 30	China - -	Queenstown	Fri. 9 „	Sat. 10 „ 7.45 p.m	Sat. 10 „ 6.8 „	Sat. 10 „ 4.30 „	Sun. 11 „ 8.25 „	Sat. 10 „ 0.28 p.m.

* The hours given here are those at which the letters were sent out for delivery by letter carrier, but in many instances the holders of private boxes obtained their letters somewhat earlier.
† Packet prevented from calling at Queenstown by bad weather.

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of October 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were Delivered in *London, Liverpool, Manchester, Glasgow,* and *Belfast.*

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
OCTOBER:								
Oct. 1	Hermann - -	Southampton	Tues. 13 Oct.	Wed. 14 Oct. 7.0 a.m.	Wed. 14 Oct. 1.30 p.m.	Wed. 14 Oct., 0.45 p.m.	Thurs. 15 Oct. 7.0 a.m.	Thurs. 15 Oct. 7.0 a.m.
„ 3	City of Antwerp	Queenstown -	Tues. 13 „	Wed. 14 „ 8.0 p.m.	Wed. 14 „ 4.4 „	Thurs. 15 „ 7.0 a.m.	Thurs. 15 „ 8.0 „	Wed. 14 „ 0.20 p.m.
„ 6	Westphalia -	Southampton	Fri. 16 „	Sat. 17 „ 7.30 a.m.	Sat. 17 „ 1.37 „	Sat. 17 „ 0.45 p.m.	Sun. 18 „ 8.40 „	Sun. 18 „ 8.0 a.m.
„ 7	Cuba - -	Queenstown -	Fri. 16 „	Sat. 17 „ 8.0 p.m.	Sat. 17 „ 1.37 „	Sat. 17 „ 4.30 „	Sun. 18 „ 8.40 „	Sat. 17 „ 0.2 p.m.
„ 8	Union - -	Southampton	Sun. 18 „	Mon. 19 „ 9.0 a.m.	Mon. 19 „ 1.30 „	Mon. 19 „ 4.30 „	Tues. 20 „ 7.8 „	- - No Mail.
„ 10	City of Paris -	Queenstown -	Mon. 19 „	Tues. 20 „ 9.0 „	Tues. 20 „ 7.0 a.m.	Tues. 20 „ 0.45 „	Tues. 20 „ 7.25 p.m.	Tues. 20 Oct. 7.0 a.m.
„ 13	Hammonia -	Southampton	Fri. 23 „	Sat. 24 „ 7.30 „	Sat. 24 „ 1.30 p.m.	Sat. 24 „ 0.45 „	Sun. 25 „ 8.25 a.m.	Mon. 26 „ 7.0 „
„ 14	Java - -	Queenstown -	Fri. 23 „	Sat. 24 „ 9.0 „	Sat. 24 „ 7.0 a.m.	Sat. 24 „ 7.0 a.m.	Sat. 24 „ 7.30 p.m.	Sat. 24 „ 7.0 „
„ 15	Bremen - -	Southampton	Mon. 26 „	Mon. 26 „ 4.45 p.m.	Tues. 27 „ 7.0 „	Tues. 27 „ 7.0 „	Tues. 27 „ 8.30 a.m.	Tues. 27 „ 0.28 p.m.
„ 17	City of London -	Queenstown -	Tues. 27 „	Wed. 28 „ 9.0 a.m.	Wed. 28 „ 7.0 „	Wed. 28 „ 0.45 p.m.	Wed. 28 „ 7.18 „	Wed. 28 „ 7.0 a.m.
„ 20	Germania - -	Southampton	Sat. 31 „	Mon. 2 Nov. 7.30 „	Mon. 2 Nov. 7.0 „	Mon. 2 Nov. 7.0 a.m.	Mon. 2 Nov. 8.8 „	Sat. 31 „ 7.55 p.m.
„ 21	Scotia - -	Queenstown -	Sat. 31 „	Mon. 2 „ 7.30 „	Sun. 1 „ 7.0 „	Sun. 1 „ 7.0 „	Sun. 1 „ 9.53 „	Sat. 31 „ 8.0 „
„ 22	Deutschland -	Southampton	Sun. 1 Nov.	Mon. 2 „ 7.30 „	Mon. 2 „ 1.30 p.m.	Mon. 2 „ 0.45 p.m.	Mon. 2 „ 7.4 „	Tues. 3 Nov. 7.0 a.m.
„ 24	City of Baltimore	Queenstown -	Mon. 2 „	Tues. 3 „ 8.0 p.m.	Tues. 3 „ 4.10 „	Wed. 4 „ 7.0 a.m.	Wed. 4 „ 8.45 „	Tues. 3 „ 0.15 p.m.
„ 27	Allemannia -	Southampton	Sat. 7 „	Sat. 7 „ 4.30 „	Sun. 8 „ 7.0 a.m.	Sun. 8 „ 7.0 „	Sun. 8 „ 8.30 „	Mon. 9 „ 9.0 a.m.
„ 28	Russia - -	Queenstown -	Fri. 6 „	Sat. 7 „ 9.0 a.m.	Sat. 7 „ 7.0 „	Sat. 7 „ 7.0 „	Sat. 7 „ 8.39 „	Fri. 6 „ 8.0 p.m.
„ 29	Rhein - -	Southampton	Sun. 8 „	Mon. 9 „ 7.30 „	Mon. 9 „ 1.30 p.m.	Mon. 9 „ 0.45 „	Tues. 10 „ 7.12 „	Wed. 11 „ 0.30 „
„ 31	City of Boston -	Queenstown -	Wed. 11 „	Thurs. 12 „ 7.55 p.m.	Thurs. 12 „ 4.15 „	Fri. 13 „ 7.0 „	Fri. 13 „ 7.0 „	Thurs. 12 „ 0.20 „

* The hours given here are those at which the letters were sent out for delivery by letter carrier, but in many instances the holders of private boxes obtained their letters somewhat earlier.

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of November 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were delivered in *London, Liverpool, Manchester, Glasgow,* and *Belfast.*

Date of Despatch	Name of Packet.	Port of Arrival.	Date of Arrival.	* TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
NOVEMBER:								
Nov. 3	Holsatia - -	Southampton	Fri. 13 Nov.	Fri. 13 Nov. 0.55 p.m.	Sat. 14 Nov. 7.0 a.m.	Sat. 14 Nov. 7.0 a.m.	Sat. 14 Nov. 8.29 a.m.	Sat. 14 Nov. 0.20 p.m.
„ 4	China - -	Queenstown -	Fri. 13 „	Sat. 14 „ 7.40 „	Sat. 14 „ 11.20 „	Sat. 14 „ 4.30 p.m.	Sun. 15 „ 8.23 „	Sat. 14 „ 0.20 „
„ 5	Hansa - -	Southampton	Wed. 18 „	Thurs. 19 „ 7.30 a.m.	Thurs. 19 „ 1.30 p.m.	Thurs. 19 „ 0.45 „	Thurs. 19 „ 7.10 „	Fri. 20 „ 7.20 a.m.
„ 7	City of Antwerp	Queenstown -	Wed. 18 „	Fri. 20 „ 9. 0 „	Fri. 20 „ 7.0 a.m.	Fri. 20 „ 0.45 „	Fri. 20 „ 7.10 „	Thurs. 19 „ 8.20 p.m.
„ 10	Cimbria - -	Southampton	Sat. 21 „	Sat. 21 „ 1.30 p.m.	Sun. 22 „ 7.0 „	Sun. 22 „ 7.0 a.m.	Sun. 22 „ 8.23 „	Mon. 23 „ 7. 0 a.m.
„ 11	Cuba - -	Liverpool † -	Sun. 22 „	Mon. 23 „ 7.30 a.m.	Mon. 23 „ 7.0 „	Mon. 23 „ 7.0 „	Mon. 23 „ 8.10 „	Mon. 23 „ 0.10 p.m.
„ 12	America - -	Southampton	Mon. 23 „	Tues. 24 „ 7.30 „	Tues. 24 „ 1.33 p.m.	Tues. 24 „ 0.45 p.m.	Wed. 25 „ 7.12 „	Wed. 25 „ 0.20 „
„ 14	City of Paris -	Queenstown -	Mon. 23 „	Tues. 24 „ 7.45 p.m.	Tues. 24 „ 1.30 „	Tues. 24 „ 4.30 „	Wed. 25 „ 7.12 „	Tues. 24 „ 0.20 „
„ 17	Westphalia -	Southampton	Fri. 27 „	Sat. 28 „ 7.30 a.m.	Sat. 28 „ 1.30 „	Sat. 28 „ 0.45 „	Sun. 29 „ 8.10 „	Sun. 29 „ 8.0 a.m.
„ 18	Java - -	Queenstown -	Fri. 27 „	Sat. 28 „ 9.0 „	Sat. 28 „ 7.0 a.m.	Sat. 28 „ 7.0 a.m.	Sat. 28 „ 7.29 p.m.	Sat. 28 „ 7.0 „
„ 19	Weser - -	Southampton	Mon. 30 „	Mon. 30 „ 0.50 p.m.	Tues. 1 Dec. 7.4 „	Tues. 1 Dec. 7.0 „	Tues. 1 Dec. 8.35 a.m.	Tues. 1 Dec. 0.29 p.m.
„ 21	City of London	Queenstown	Tues. 1 Dec.	Thurs. 3 Dec. 9.0 a.m.	Thurs. 3 „ 7.0 „	Thurs. 3 „ 0.45 p.m.	Thurs. 3 „ 8.30 „	Wed. 2 „
„ 24	Hammonia -	Southampton	Sun. 6 „	Mon. 7 „ 7.30 „	Mon. 7 „ 7.0 „	Mon. 7 „ 7.0 a.m.	Mon. 7 „ 8.30 „	No Mail.
„ 25	Scotia - -	Queenstown -	Sat. 5 „	Mon. 7 „ 7.30 „	Sun. 6 „ 7.0 „	Sun. 6 „ 7.0 „	Mon. 7 „ 8.30 „	Sun. 6 Dec. 8.0 a.m.
„ 26	Hermann - -	Southampton	Mon. 7 „	Mon. 7 „ 4.30 p.m.	Tues. 8 „ 7.0 „	Tues. 8 „ 7.0 „	Tues. 8 „ 8.43 „	Tues. 8 „ 0.25 p.m.
„ 28	City of Baltimore	Queenstown -	Tues. 8 „	Thurs. 10 „ 10.0 a.m.	Wed. 9 „ 7.46 „	Thurs. 10 „ 0.45 p.m	Thurs. 10 „ 8.10 „	Wed. 9 „ 7.55 „

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† Packet prevented from calling at Queenstown by bad weather.

STATEMENT showing the several MAILS Despatched from *New York* to the *United Kingdom* by Mail Packet during the Month of December 1868, the Period of Arrival in this Country, and the Time at which the Letters contained in such Mails were delivered in *London, Liverpool, Manchester, Glasgow*, and *Belfast*.

Date of Despatch.	Name of Packet.	Port of Arrival.	Date of Arrival.	*TIME OF DELIVERY OF LETTERS IN				
				London.	Liverpool.	Manchester.	Glasgow.	Belfast.
DECEMBER:								
Dec. 1	Germania - -	Southampton	Sun. 13 Dec.	Mon. 14 Dec. 7.30 a.m.	Mon. 14 Dec. 7.0 a.m.	Mon. 14 Dec. 7.0 a.m.	Mon. 14 Dec. 8.17 a.m.	Mon. 14 Dec. 4.15 p.m.
„ 2	Russia - -	Queenstown	Fri. 11 „	Sat. 12 „ 9.0 „	Sat. 12 „ 7.0 „	Sat. 12 „ 7.15 „	Sun. 13 „ 8.20 „	Sat. 12 „ 7.0 a.m.
„ 3	Union - -	Southampton	Mon. 14 „	Tues. 15 „ 4.15 p.m.	Wed. 16 „ 7.0 „	Wed. 16 „ 7.0 „	Wed. 16 „ 8.43 „	Wed. 16 „ noon.
„ 5	† City of Boston.	—	—	—	—	—	—	—
„ 8	Borussia - -	Southampton	‡	Mon. 28 Dec. 7.30 a.m.	Mon. 28 Dec. 1.30 p.m.	Mon. 28 Dec. 0.45 p.m.	Tues. 29 Dec. 7.7 a.m.	- - No Mail.
„ 9	China - -	Queenstown	Fri. 18 Dec.	Sat. 19 „ 7.45 p.m.	Sat. 19 „ 4.6 „	Sat. 19 „ 4.30 „	- - - -	Sat. 19 Dec. noon.
„ 10	Deutschland -	Southampton	Sun. 20 „	Mon. 21 „ 7.30 a.m.	Mon. 21 „ 1.40 „	Mon. 21 „ 0·45 „	Tues. 22 Dec. 7.20 a.m.	Tues. 22 „ 7.0 a.m.
„ 12	City of Antwerp	Queenstown	Mon. 21 „	Wed. 23 „ 9.0 „	Wed. 23 „ 7.0 a.m.	Wed. 23 „ 7.15 a.m.	Wed. 23 „ 7.20 „	- - No Mail.
„ 15	Holsatia - -	Southampton	Fri. 25 „	Sat. 26 „ 7.30 „	Sat. 26 „ 7.0 „	Sat. 26 „ 7.15 „	Sat. 26 „ 8.32 „	- - No Mail.
„ 16	Cuba - -	Queenstown	Fri. 25 „	Sat. 26 „ 7.45 p.m.	Sat. 26 „ 3.55 p.m.	Sat. 26 „ 4.30 p.m.	Sun. 27 „ 8.10 „	Sat. 26 Dec. 0.20 p.m.
„ 17	Rhein - -	Southampton	Sat. 26 „	Mon. 28 „ 7.30 a.m.	Mon. 28 „ 7.0 a.m.	Mon. 28 „ 7.0 a.m.	Mon. 28 „ 8.45 „	Tues. 29 „ 7.0 a.m.
„ 19	City of Paris -	Queenstown	Mon. 28 „	Tues. 29 „ 7.40 p.m.	Tues. 29 „ 1.33 p.m.	Wed. 30 „ 0.7 „	Wed. 30 „ 7.15 „	Tues. 29 „ 0.21 p.m.
			1869:	1869:	1869:	1869:	1869:	1869:
„ 22	Cimbria - -	Southampton	Fri. 1 Jan.	Sat. 2 Jan. 7.30 a.m.	Sat. 2 Jan. 1.30 p.m.	Sat. 2 Jan. 0.45 p.m.	Sun. 3 Jan. 8.48 a.m.	Sun. 3 Jan. 8.0 a.m.
„ 23	Java - -	Queenstown	Fri. 1 „	Sat. 2 „ 7.30 p.m.	Sat. 2 „ 1.30 „	Sat. 2 „ 4.30 „	Sun. 3 „ 8.48 „	Sat. 2 „ 7.0 „
„ 24	Main - -	Southampton	Sun. 3 „	Mon. 4 „ 7.30 a.m.	Mon. 4 „ 1.30 „	Mon. 4 „ 0.50 „	Tues. 5 „ 7.7 „	Tues. 5 „ 7.0 „
„ 27	City of London -	Queenstown	Tues. 5 „	Thurs. 7 „ 9.0 „	Thurs. 7 „ 7.0 a.m.	Thurs. 7 „ 7.15 a.m.	Thurs. 7 „ 7.5 „	Thurs. 7 „ 7.0 „
„ 29	Westphalia -	Southampton	Fri. 8 „	Sat. 9 „ 7.30 „	Sat. 9 „ 1.30 p.m.	Sat. 9 „ 0.45 p.m.	Sun. 10 „ 8.34 „	- - No Mail.
„ 30	Australasian -	Queenstown	Sat. 9 „	Mon. 11 „ 7.30 „	Sun. 10 „ 7.0 a.m.	Sun. 10 „ 7.0 a.m.	Mon. 11 „ 8.6 „	Sun. 10 Jan. 8.0 a.m.
„ 31	America - -	Southampton	Mon. 11 „	Tues. 12 „ 7.30 „	Tues. 12 „ 1.30 p.m.	Tues. 12 „ 0.45 p.m.	Wed. 13 „ 7.15 „	- - No Mail.

* The hours given here are those at which the letters were sent out for delivery by letter carrier, but in many instances the holders of private boxes obtained their letters somewhat earlier.

† Grounded in New York Harbour. Mails transferred to "China" and "Borussia."

‡ Vessel arrived disabled, and landed her Mails at Portland on 28th December.

AVERAGE LENGTH of the VOYAGES performed by the several Lines of CONTRACT STEAMERS conveying the AMERICAN MAILS in 1868.

	D.	H.	M.
OUTWARDS:			
Cunard (Queenstown and New York, 2,780 nautical miles)	10	9	15
Inman (ditto - ditto - -)	10	21	45
North German Lloyd (Southampton and New York, 3,075 nautical miles)	11	17	15
Hamburg-American Steam Packet Company, ditto	*11	10	30
HOMEWARDS:			
Cunard	9	11	15
Inman	9	21	30
North German Lloyd	10	15	15
Hamburg-American Steam Packet Company	†10	20	45

* The average of 38 voyages, ending with that completed on the 9th November, which was the last one performed under contract, and the last one for which official Returns were rendered.
† The average of 20 voyages. No official returns received since June.

RETURN showing the Time of ARRIVAL of the OUTWARD CUNARD and INMAN PACKETS at *Queenstown*, in the Year 1868, the Time of ARRIVAL of the MAILS intended for those Packets, and the Time of their Embarkation, and the Number of Occasions out of the whole Number of Mails on which the Ship had to wait for the Mail.

STATEMENT showing the Time of Arrival of the OUTWARD CUNARD PACKETS at *Queenstown*, and the Time of Arrival of the MAILS, and of their Embarkation in 1868.

Name of Packet.	Arrived at Queenstown.	Mail arrived from Cork (due 2.40 P.M.)	Mail Embarked.
Australasian	5 Jan. 10.35 a.m.	5 Jan. 2.50 p.m.	5 Jan. 3.25 p.m.
Siberia	12 „ 8.30 „	12 „ 2.43 „	12 „ 3.25 „
Russia	19 „ 4.32 p.m.	19 „ 3.45 „	19 „ 5.30 „
Java	26 „ 8.40 a.m.	26 „ 2.45 „	26 „ 3.20 „
Palmyra	2 Feb. 7.40 p.m.	2 Feb. 3.50 „	2 Feb. 8.0 „
Cuba	9 „ 4.45 a.m.	9 „ 2.44 „	9 „ 3.25 „
Australasian	16 „ 10.40 „	16 „ 2.46 „	16 „ 3.25 „
Russia	23 „ 8.20 „	23 „ 5.40 „	23 „ 6.30 „
Siberia	1 Mar. 7.45 „	1 Mar. 2.50 „	1 Mar. 3.40 „
Java	8 „ 8.30 „	8 „ 2.45 „	8 „ 3.30 „
China	15 „ 11.45 „	—	—
Cuba	22 „ 6.0 „	22 „ 2.50 „	22 „ 3.30 „
Australasian	29 „ 7.50 „	29 „ 2.50 „	29 „ 3.35 „

Appendix, No. 3.

STATEMENT showing Arrival of the Outward Cunard Packets at *Queenstown*, &c.—*continued.*

Name of Packet.	Arrived at Queenstown.	Mail arrived from Cork (due 2.40 p.m.)	Mail Embarked.
Russia	5 Apr. 0.20 p.m.	5 Apr. 2.50 p.m.	5 Apr. 3.20 p.m.
Scotia	12 „ 7.50 a.m.	12 „ 2.42 „	12 „ 3.25 „
Java	19 „ 0.6 p.m.	19 „ 2.45 „	19 „ 3.15 „
China	26 „ 7.22 a.m.	26 „ 2.44 „	26 „ 3.20 „
Australasian	3 May, noon	3 May, 2.45 „	3 May, 3.25 „
Russia	10 „ 8.30 a.m.	10 „ 2.43 „	10 „ 3.30 „
Scotia	17 „ 10.34 „	—	—
Java	24 „ 9.20 „	24 „ 3.20 „	24 „ 3.30 „
Cuba	31 „ 8.35 „	31 „ 2.44 „	31 „ 3.30 „
Australasian	7 June, 6.30 „	7 June, 2.43 „	7 June, 2.25 „
Russia	14 „ 8.0 „	14 „ 2.48 „	14 „ 3.25 „
Scotia	21 „ 7.35 „	21 „ 2.44 „	21 „ 3.25 „
China	28 „ 6.45 „	28 „ 2.45 „	28 „ 3.25 „
Cuba	5 July, 4.25 „	5 July, 2.43 „	5 July, 3.25 „
Java	12 „ 9.0 „	12 „ 2.43 „	12 „ 3.25 „
Australasian	19 „ 0.30 p.m.	19 „ 2.43 „	19 „ 3.25 „
Scotia	26 „ 8.43 a.m.	26 „ 3.45 „	26 „ 4.25 „
Russia	2 Aug. 11.55 „	2 Aug. 2.42 „	2 Aug. 3.25 „
China	9 „ 8.36 „	9 „ 2.40 „	9 „ 3.25 „
Cuba	16 „ 11.0 „	16 „ 2.42 „	16 „ 3.25 „
Java	23 „ 9.30 „	23 „ 2.50 „	23 „ 3.25 „
Scotia	30 „ 2.18 p.m.	30 „ 2.40 „	30 „ 3.30 „
Russia	6 Sept. 7.20 a.m.	6 Sept. 2.43 „	6 Sept. 3.30 „
China	13 „ 9.33 „	13 „ 2.43 „	13 „ 3.35 „
Cuba	20 „ 5.0 „	20 „ 2.40 „	20 „ 3.25 „
Java	27 „ 11.35 „	27 „ 2.42 „	27 „ 3.25 „
Scotia	4 Oct. 7.25 „	4 Oct. 2.43 „	4 Oct. 3.30 „
Russia	11 „ 8.35 „	11 „ 2.42 „	11 „ 3.30 „
China	18 „ 7.6 „	—	—
Cuba	25 „ 2.5 p.m.	25 „ 2.40 „	25 „ 3.35 „
Java	1 Nov. 10.35 a.m.	1 Nov. 2.42 „	1 Nov. 3.30 „
Scotia	8 „ 11.22 „	8 „ 2.50 „	8 „ 3.25 „
Russia	15 „ 8.5 „	15 „ 2.42 „	15 „ 3.30 „
China	22 „ 1.58 p.m.	22 „ 2.43 „	22 „ 3.30 „
Cuba	30 „ 2.0 „	29 „ 2.43 „	30 „ 3.0 „
Java	6 Dec. 0.55 „	6 Dec. 2.45 „	6 Dec. 3.30 „
Australasian	13 „ 8.12 a.m.	13 „ 2.45 „	13 „ 3.30 „
Russia	20 „ 10.39 „	20 „ 2.47 „	20 „ 3.30 „
China	28 „ 0.32 „	27 „ 3.45 „	28 „ 0·30 a.m.

Appendix No. 3.

STATEMENT showing the Time of Arrival of the OUTWARD INMAN PACKETS at *Queenstown*, and the Time of Arrival of the Mails and of their Embarkation in 1868.

Name of Packet.	Arrived at Queenstown.	Mail arrived from Cork (due 2.50 p.m.)	Mail Embarked.
City of Baltimore	2 Jan. 8.0 a.m.	2 Jan. 3.0 p.m.	2 Jan. 3.40 p.m.
„ Boston	9 „ 7.30 „	9 „ 3.0 „	9 „ 3.40 „
„ Antwerp	16 „ noon	16 „ 3.5 „	16 „ 3.50 „
„ London	23 „ 7.0 a.m.	23 „ 3.0 „	23 „ 3.35 „
„ Paris	30 „ 8.0 „	30 „ 3.20 „	30 „ 3.45 „
„ Baltimore	6 Feb. 2.0 p.m.	6 Feb. 2.50 „	6 Feb. 3.35 „
„ Boston	13 „ 8.0 a.m.	13 „ 2.55 „	13 „ 3.35 „
„ Antwerp	20 „ 5.45 p.m.	20 „ 3.50 „	20 „ 6.30 „
„ New York	27 „ 11.0 a.m.	27 „ 2.55 „	27 „ 3.45 „
„ London	5 Mar. 6.30 p.m.	5 Mar. 3.0 „	5 Mar. 7.15 „
„ Baltimore	12 „ 11.0 a.m.	12 „ 3.0 „	12 „ 3.40 „
„ Boston	19 „ 1.30 p.m.	19 „ 2.55 „	19 „ 3.45 „
„ Antwerp	26 „ 8.0 a.m.	26 „ 2.55 „	26 „ 3.40 „
„ Paris	2 Apr. 7.0 „	2 Apr. 2.55 „	2 Apr. 3.40 „
„ London	9 „ 8.0 „	9 „ 2.55 „	9 „ 3.40 „
„ Baltimore	16 „ 11.15 „	16 „ 3.45 „	16 „ 4.25 „
„ Boston	23 „ 10.0 „	23 „ 2.55 „	23 „ 3.50 „
„ Antwerp	30 „ 0.30 p.m.	30 „ 3.45 „	30 „ 4.35 „
„ Paris	7 May, 0.15 „	7 May, 2.55 „	7 May, 3.45 „
„ London	14 „ 0.30 „	14 „ 2.55 „	14 „ 3.25 „
„ Baltimore	21 „ - -	21 „ 2.55 „	21 „ 3.50 „
„ Boston	28 „ 11.45 a.m.	—	—
„ Antwerp	4 June, 2.30 p.m.	4 June, 2.55 „	4 June 3.40 „
„ Paris	11 „ 8.0 a.m.	—	
„ London	18 „ 11.54 „	—	—
„ Baltimore	25 „ 11.20 „	25 „ 2.55 „	25 „ 3.40 „
„ Boston	2 July, 0.10 p.m.	—	—
„ Antwerp	9 „ 8.30 a.m.	—	—
„ Paris	16 „ 11.0 „	—	—
„ London	23 „ 9.30 „	23 July, 3.50 „	23 July 4.50 „
„ Baltimore	30 „ 0.30 p.m.	30 „ 4.15 „	30 „ 4.50 „
„ Boston	6 Aug. 11.30 a.m.	6 Aug. 3.0 „	6 Aug. 3.40 „
„ Antwerp	13 „ 0.15 p.m.	13 „ 3.0 „	13 „ 3.55 „
„ Paris	20 „ 2.0 „	20 „ 3.40 „	20 „ 4.35 „
„ London	27 „ 4.15 „	27 „ 3.45 „	27 „ 5.0 „
„ Baltimore	3 Sept. 6.15 „	3 Sept. 3.40 „	3 Sept. 7.0 „
„ Boston	10 „ 10.0 a.m.	10 „ 2.50 „	10 „ 3.35 „
„ Antwerp	17 „ 2.0 p.m.	17 „ 3.0 „	17 „ 3.45 „
„ Paris	24 „ 11.30 a.m.	24 „ 2.55 „	24 „ 3.35 „
„ London	1 Oct. 7.0 a.m.	1 Oct. 2.55 „	1 Oct. 3.45 „
„ Baltimore	8 „ 0.30 p.m.	8 „ 2.55 „	8 „ 3.40 „
„ Boston	15 „ 6.0 „	15 „ 9.50 „	15 „ 10.35 „
„ Antwerp	22 „ noon	22 „ 2.55 „	22 „ 3.40 „
„ Paris	29 „ 3.30 p.m.	29 „ 10.45 „	29 „ 11.30 „
„ London	5 Nov. 2.30 „	5 Nov. 9.50 „	5 Nov. 11.0 „
„ Baltimore	12 „ 0.30 „	12 „ 2.55 „	12 „ 3.35 „
„ Boston	19 „ 10.0 a.m.	19 „ 2.50 „	19 „ 3.45 „
„ Antwerp	26 „ 0.30 p.m.	26 „ 2.50 „	26 „ 3.45 „
„ Paris	3 Dec. 10.0 a.m.	3 Dec. 2.55 „	3 Dec. 3.55 „
„ London	10 „ 7.30 p.m.	10 „ 2.55 „	10 „ 9.0 „
„ Baltimore	17 „ 0.30 „	17 „ 3.50 „	17 „ 4.45 „
„ Etna	24 „ 2.0 „	—	—
„ New York	31 „ 9.30 a.m.	31 „ 3.5 „	31 „ 3.50 „

Appendix No. 3.

RETURN of the Number of SACKS of MAILS conveyed by the NORTH GERMAN LLOYD from *Southampton* on Tuesday, and by CUNARD'S BOATS from *Queenstown* on Wednesday, in the Year 1869.

DATE.	From Southampton. Number of Sacks.	From Queenstown. Number of Sacks.
January 5th and 6th	34	29
„ 12th and 13th	31	33
„ 19th and 20th	30	36
„ 26th and 27th	30	34
February 2nd and 3rd	30	38
„ 9th and 10th	29	39
„ 16th and 17th	33	35
„ 23rd and 24th	34	37
March 2nd and 3rd	35	38
„ 9th and 10th	36	38
„ 16th and 17th	33	35

STATEMENT showing the Average Length of the VOYAGES performed by the several Lines of CONTRACT STEAMERS conveying the AMERICAN MAILS in 1868.

LINE.	During January, February, March.		During April, May, June.		During July, August, September.		During October, November, December.	
OUTWARDS:	*Days.*	*Hours.*	*Days.*	*Hours.*	*Days.*	*Hours.*	*Days.*	*Hours.*
Cunard (Queenstown and New York, 2,780 nautical miles)	11	8	9	20	9	4	10	15
Inman (Queenstown and New York, 2,780 nautical miles)	11	22	10	13	9	15	11	11
North German Lloyd (Southampton and New York, 3,075 nautical miles)	12	7	11	10	10	21	11	23
Hamburg-American Steam Packet Company (Southampton and New York, 3,075 nautical miles)	12	2	11	23	10	16	11	7*
HOMEWARDS:								
Cunard	9	14	9	4½	8	7	9	8
Inman	9	21	9	19	9	23	9	21
North German Lloyd	10	6	10	13	11	12	10	15
Hamburg-American Steam Packet Company	10	19	10	23	—		—	

* The average of five voyages, ending with that completed on the 9th November, which was the last one performed under contract, and the last one for which official Returns were rendered.

Appendix, No. 4.

PAPERS handed in by Mr. *Chetwynd*, 20 March 1869.

ESTIMATE of the SEA POSTAGE and GROSS POSTAGE of CORRESPONDENCE carried in 1868 by the CUNARD PACKETS OUTWARDS, and the SEA POSTAGE on HOMEWARD MAILS, at the Rates mentioned. Appendix, No. 4.

	Sea Rate.	Sea Rate and British Inland.	Gross Rate.	Sea Postage.	Sea and British Rates.	Gross Postage.
	d.	*d.*	*d.*	£.	£.	£.
1,761,430 Rates of Letters -	4	5	6	29,357	36,696	44,035
1,215,092 Papers - - -	1	1½	2	5,062	7,593	10,124
80,816 Books - - -	1½	2	3	505	674	1,010
TOTAL OUTWARDS - - - £.				34,924	44,963	55,169
Add,—						
Sea Postage on Homeward Mails:						
			£.			
1,504,640 Rates of Letters, at 4 *d.* - - -			25,046			
84,508 lbs. of Papers, at 3 *d.* - - - -			1,056			
				26,102	26,102	26,102
			£.	61,026	71,065	81,271
Deduct,—						
Loss of Sea Postage on the Homeward Mails, viz.:						
			£.			
Sea Postage at above rates - - - - -			26,102			
The United States Office paid Messrs. Cunard lower rates for these mails than the rates mentioned in the convention; the amount paid and to be paid is estimated at - - - - -			9,490			
Loss - - - £.				16,612	16,612	16,612
So that the result is about - - - - - - £.				44,414	54,453	64,659
The cost of the packets was - - - - - - £.				80,000	80,000	80,000
The difference or loss was - - - - - - £.				35,586	25,547	15,341

General Post Office, March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

Appendix, No. 4.

RETURN showing the Amount of SEA POSTAGE paid to the Contractors on CORRESPONDENCE despatched to the *United States* during each Quarter of the Year 1868, by the INMAN, NORTH GERMAN LLOYD, and HAMBURGH-AMERICAN Lines of Packets, respectively; and the Amount of SEA POSTAGE, computed at the same Rates, applicable to the CUNARD PACKETS, OUTWARDS and HOMEWARDS; showing also the SUMS received from Messrs. *Cunard* up to the present Date, for Conveyance of HOMEWARD MAILS.

The Rates paid to Contractors for Conveyance by Weight were as follows, viz.: Letters, 1 *s.* per ounce; Papers, 3 *d.* per pound; Books, 5 *d.* per pound.

Quarter ended	LINE OF PACKETS.					
	CUNARD.			Inman.	North German Lloyd.	Hamburgh-American.
	Outward.	Homeward.	Sums received from Messrs. Cunard.			
	£.	£.	£.	£.	£.	£.
31 March - 1868 -	7,418	- -	3,074	6,161	2,967	935
30 June - „ -	6,887	- -	1,840	5,119	2,777	1,704
30 September „ -	6,712	- -	2,204	5,310	2,808	1,745
31 December „ -	7,866	- -	- (*b*) -	6,185	3,146	(*a*) 773
£.	28,883	23,655	7,118	22,775	11,698	5,157
Estimated Sea Postage collected - -	34,924	26,102	- -	25,987	13,408	6,400

(*a*) The contract with this Company terminated on the 31st October 1868.

(*b*) The payment for the fourth quarter has not yet been received.

General Post Office,
March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

ESTIMATE of the GROSS POSTAGE derived by the *United Kingdom* under the Convention with the *United States*, during the Year 1868.

	Postage Collected.	British Share.
OUTWARDS:	£.	£.
Gross Postage on International and Transit Letters	76,068	
Ditto Papers	16,742	
Ditto Books	2,109	
	94,919	47,459
British Rates on Foreign Closed Mails:		
Letters	18,339	
Papers	693	
Books	28	
	19,060	19,060
HOMEWARDS:		
Gross Postage on International and Transit Letters	88,746	
Ditto Papers and Books	18,851	
	107,597	53,798
British Rates on Foreign Closed Mails		3,400
British Share of Gross Postage £.		123,717

General Post Office,
March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

Appendix, No. 5.

Appendix, No. 5. A STATEMENT showing the Total Estimated Number of INTERNATIONAL LETTERS sent to and received from the *United States* during the Years 1863, 1865, 1866, 1867, and 1868 respectively, and the Increase or Decrease per Cent.

Year 1863.	1865.		1866.		1867.		1868.	
Number of Letters.	Number of Letters.	Increase per Cent. over 1863.	Number of Letters.	Increase per Cent. over 1865.	Number of Letters.	Decrease per Cent. below 1866.	Number of Letters.	Increase per Cent. over 1867.
2,461,440	3,367,697	36·8	4,066,284	20·7	3,916,759	3·7	4,875,802	24·5

Increase—Year 1868 over Year 1863 - - - = 98 per Cent.
Average Yearly Increase - - - - - = 19⅗ ,,

General Post Office,
20 March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

STATEMENT showing the Estimated Amount of SEA POSTAGE earned by the several Lines of NORTH AMERICAN MAIL PACKETS on the Outward Voyages during the Year 1868. This Estimate is based on the Supposition that there were 3½ Letters to the Ounce, 7¼ Papers to the Pound, and 5⅓ Book-packets to the Pound.

LINE OF PACKET.	Estimated Amount of Sea Postage.
	£.
Cunard - - - - - - - -	34,924
Inman - - - - - - - -	25,987
North German Lloyd - - - - -	13,408
Hamburgh-American - - - - -	6,400
TOTAL - - - £.	80,719

General Post Office,
20 March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

Appendix, No. 6.

RETURN showing the Number of LETTERS Posted in *London*, and in some of the Principal Towns in the Kingdom, on the 19th and 20th of March, for Transmission by the Packet sailing from *Queenstown* to *New York*, on Sunday, the 21st March.

Appendix, No. 6.

TOWNS.	Number of Letters.
London	4,100
Liverpool	2,715
Glasgow	1,002
Manchester	795
Belfast	637
Limerick	346
Sheffield	200
Bradford	194
Cork	151
Leeds	119
Waterford	90
Halifax	37

TOTAL	London	4,100
	Provincial	6,286

General Post Office
22 March 1869.

Frank Ives Scudamore.

Appendix, No. 7.

Appendix, No. 7. RETURN of the NUMBER of LETTERS for the *United States*, posted in *London* after the closing of the LETTER BOXES on the evening of Monday, the 22nd March 1869, and before the closing of the MAILS for *New York*, to be conveyed from *Southampton* by the PACKET of the NORTH GERMAN LLOYD on Tuesday, the 23rd March.

Number of Letters - - - - - - - - - - - 136

General Post Office, 23 March 1869.

Frank Ives Scudamore.

Appendix, No. 8.

Appendix, No. 8. AN ESTIMATE of the SEA POSTAGE *Collected* upon Correspondence carried to the *United States*, by the INMAN, NORTH GERMAN LLOYD, and HAMBURGH-AMERICAN Packets in 1868, computed at the Rates of 3⅓ Letters to the Ounce, 7¼ Papers to the Pound, and 5⅓ Books to the Pound; also of the Amount *earned* by those Companies at the Rates of 1 *s.* per Ounce for Letters, 3 *d.* per Pound for Papers, and 5 *d.* per Pound for Books; the Penalties incurred; and the Payments actually made for Conveyance of the Mails.

COMPANY.	Sea Postage Collected.				Amount Earned at above-named Rates.	Penalties.	Payments made.
	Letters.	Papers.	Books.	TOTAL.			
	£.	£.	£.	£	£.	£.	£.
Inman - - - -	23,941	1,792	254	25,987	22,774	606	22,168
North German Lloyd -	12,295	1,034	79	13,408	11,710	2,195	9,515
Hamburgh-American -	5,360	974	66	6,400	5,154	1,812	3,342
TOTAL - - - - £.	41,596	3,800	399	45,795	39,638	4,613	35,025

General Post Office, March 1869.

Geo. Chetwynd,
Receiver and Accountant General.

REPORT

FROM THE

SELECT COMMITTEE

ON

MAIL CONTRACTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
23 *March* 1869.

[*Price* 2 *s.* 4 *d.*]

106.

Under 20 *oz.*

I N D E X

TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON

MAIL CONTRACTS.

Ordered, by The House of Commons, *to be Printed,*
23 *March* 1869.

I N D E X.

[*N.B.*—In this Index the *Figures* following the Names of the Witnesses refer to the Questions in the Evidence; those following *App.* to the Pages in the Appendix; and the Numerals following *Rep.* to the Pages in the Report.]

A.

ADMIRALTY PARCELS. Omission from the present Cunard and Inman contracts of any clause relative to the conveyance of packets for the Admiralty, there being, however, no longer any service to Halifax, *Scudamore* 1001, 1002.

American Government and Mails. See *United States.*

B.

Baxter, William Edward (Member of the House). (Analysis of his Evidence.)—Has taken an active interest in the packet service; is strongly opposed to fixed subsidies where active and effective competition exists, 610-618——Withdrawal by witness, in March 1868, of his motion relative to the Cunard contracts, on the understanding that there should be no payment by fixed subsidies, 612-615——Approval of the original Cunard contract, and of the subsidy then given, though a fixed payment is now unnecessary, 618——Decided objection to a contract for so long a term as eight years where there is competition, 619.

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With respect to the advantage possessed, as regards competition, by foreign vessels carrying foreign mails, the English Post Office should in any case make the best bargain in its power, 638-641. 655-659——Expected punctuality and expedition irrespectively of subsidies, 642-648——Complaint as to the Cunard and Inman vessels not being bound as to the time of the passage, whilst the the German companies are so bound, 643-647.

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Boston Line. Circumstance of the Cunard Company not having had any subsidy for the boats from Liverpool to Boston, *viâ* Queenstown, in 1868, *Taylor* 20, 21.

Bristol. Particulars of the course of post from Bristol to New York *viâ* Queenstown, and *viâ* Southampton, in March and August 1868, *App.* 154.

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Witness submits that the contract in question having been purely and honestly made, and having been upheld by the Government, its non-ratification by Parliament is a serious grievance to his company, 1500–1507. 1566–1570——Severe loss and prejudice to the company by an abrupt termination of the contract, 1508–1516. 1583, 1584——Objection by the company to tender for any similar contract, if the present one be abrogated, 1518——Large reserve of vessels maintained by the company, in order to carry out an efficient and punctual service, 1522–1524.

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Large saving in the cost of the Cunard vessels, if they had not been subject to the Government

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C.

Cargo Boats (Cunard Line). See *Slow or Cargo Boats.*

Chetwynd, George. (Analysis of his Evidence.)—Is Receiver and Accountant General of the Post Office, 1773——Supplies sundry particulars in connection with estimates made by the Post Office authorities relative to the increase of American postage, by reducing the rate to 6*d.*, and the earnings to be derived under the Cunard contract for 1868; 1774 *et seq.*——Calculations as to the loss incurred on the contract for 1868, accordingly as the sea postage only, or the sea and inland postage combined, is deducted from the subsidy of 80,000 *l.*; 1794, 1795.

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1. *As to the different Contracts with the Company, and the Subsidies paid.*
2. *As to the Vessels of the Company, and their Performances.*

1. *As to the different Contracts with the Company, and the Subsidies paid:*

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2. *Question of Contracts for the Service on the basis of the Postage Receipts.*

1. *Statistics and Estimates relative to the Receipts from American Postage, in connection with the Payments to Contractors:*

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TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON

MAIL CONTRACTS.

Ordered, by The House of Commons, *to be Printed,*
23 *March* 1869.

106 —I.

Under 4 *oz.*

FIRST AND SECOND

REPORTS

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
18 *March* and 23 *June* 1869.

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87. +

Monday, 1*st March* 1869.

Ordered, THAT the Committee of Public Accounts do consist of the following Members:—

Mr. Ayrton.
Mr. Algernon Egerton.
Mr. Pollard-Urquhart.
Mr. Graves.
Mr. Seely.
Mr. Liddell.
Mr. William Fowler.
Lord Frederick Cavendish.
Mr. Sclater-Booth.

Wednesday, 17*th March* 1869.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Thursday, 18*th March* 1869.

Ordered, THAT the Committee have power to report their Opinion and Observations, from time to time, to The House.

Friday, 25*th June* 1869.

Ordered, THAT the Committee have power to Report the Minutes of Evidence taken before them, from time to time, to The House.

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FIRST REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have considered the matters to them referred, and have come to the following RESOLUTION, which they have agreed to Report to the House :—

THAT with reference to the Resolution of the Committee of the 21st of July last, "That where a Public Officer receives a grant or temporary increase to his fixed salary in respect of special services, your Committee are of opinion that provision should be made accordingly in connexion with the Vote upon which the fixed salary is charged," your Committee have arrived at the conclusion that the same should be applied to services rendered under the sub-head of the Vote in which the fixed salary is charged, and that in all other cases the fact of any officer receiving a grant or temporary increase should be explained by foot notes in the Estimate or Account.

18 *March* 1869.

SECOND REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the matters to them referred, and have agreed to the following SECOND REPORT :—

YOUR COMMITTEE have examined the Accounts of the Savings and Deficiencies in the Army and Navy Expenditure for the financial year 1867-8, together with the Appropriation Accounts of the sums granted by Parliament for these Services, and the Report of the Comptroller and Auditor General thereon. These Accounts, in the form in which they have been presented to Parliament, exhibit a coincidence of expenditure and grants as regards the Army Services, and an excess of expenditure over grants, amounting to 366,545 *l.* as regards the Navy Services.

If the account for the ordinary Army expenditure had been kept separate from that relating to the wars in Abyssinia and New Zealand, it would have exhibited a saving of 157,468 *l.*, but this amount was applied in aid of the expenses incurred for those wars. The actual sums brought to charge for those wars by the Department of the Army for the year ending 31st March 1868, were 1,272,066 *l.* for the Abyssinian War, and 506,192 *l.* for the New Zealand War, amounting to 1,778,258 *l.* for both ; and after applying the above-mentioned saving of 157,468 *l.* in aid of this expenditure, the balance of 1,620,790 *l.* was discharged, by appropriating 1,114,891 *l.* out of the special grants for the Abyssinian War, and 505,899 *l.* out of the sum granted to make good advances from the Treasury Chest for New Zealand ; and thus the accounts were made to balance.

In the Navy Department, the sums brought to charge for the ordinary Navy expenditure exceeded the grants for the ordinary service for the year, by the sum of 364,910 *l.*, while that brought to charge for the additional expenses of

the Abyssinian War amounted to 1,426,998 *l.*, which has been partly met by the appropriation of 1,425,364 *l.* out of the special grants made by Parliament for this purpose; the difference between the former and the latter sums being, as was explained by the Accountant General of the Navy, met out of separate surpluses on some of the ordinary Navy Grants.

Your Committee are of opinion that it would facilitate the control of Parliament over the Public Money, and tend to promote economy in the Public Expenditure, if in future the accounts relating to the ordinary services of the year were kept distinct from those relating to extraordinary services, for which provision is made by separate grants. Your Committee having been furnished with the accounts made out in this manner, submit them for the information of The House.

The attention of your Committee has been directed to the fact, that no Supplementary Vote for the excess of expenditure over grants for the Navy which occurred for the year ending 31st March 1868, was taken till February 1869. The late First Lord of the Admiralty, when examined on this subject, explained that as a large proportion of this excess was caused by charges unexpectedly entailed upon his department during that year by the dispatch of ships from the distant China station, rendered necessary by the civil wars in Japan, its full amount could not have been ascertained with any degree of accuracy until after the Prorogation of Parliament in the autumn of 1868; but they are glad to find from the evidence of the Comptroller of the Navy and the Accountant General, that arrangements are being carried out by the Admiralty to prevent a recurrence of this delay in bringing any increased expenditure under the consideration of Parliament.

Your Committee have had occasion to observe upon the extent to which savings arising from the abandonment or postponement of certain Votes have been applied during the year ending April 1868 to other works for which Parliamentary sanction had not been obtained, but as this and the further question raised by the Comptroller and Auditor General as to the disposal of the excess of the amounts realised as Appropriations in Aid beyond those estimated for, involve important considerations, they defer expressing any opinion upon them until a subsequent Report.

23 *June* 1869.

PROCEEDINGS OF THE COMMITTEE.

Thursday, 11*th March* 1869.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Graves.
Mr. Algernon Egerton.	Mr. Liddell.
Mr. Pollard-Urquhart.	Lord F. Cavendish.
Mr. Sclater-Booth.	Mr. Fowler.

Mr. POLLARD-URQUHART was called to the Chair.

The Committee deliberated.

Ordered, That the Chairman be directed to move the House that the Committee have power to send for persons, papers, and records.

[Adjourned till Wednesday next, at Three o'clock.

Wednesday, 17*th March* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Ayrton.	Lord F. Cavendish.
Mr. Liddell.	Mr. A. Egerton.
Mr. Sclater-Booth.	Mr. Fowler.

The Committee deliberated.

Mr. *Forster* examined.

Motion made, and question, "That with reference to the Resolution of the Committee of the 21st of July last, 'That where a public officer receives a grant or temporary increase to his fixed salary in respect of special services, your Committee are of opinion that provision should be made accordingly in connection with the Vote upon which the fixed salary is charged,' your Committee have arrived at the conclusion that the same should be applied to services rendered, under the sub-head of the Vote in which the fixed salary is charged, and that in all other cases the fact of any officer receiving a grant or temporary increase should be explained by foot notes in the Estimate or Account"—(Mr. *Ayrton*)—put, and *agreed to*.

Ordered, To Report the above Resolution.

[Adjourned till Wednesday, 21st April, at Two o'clock.

Wednesday, 21*st April* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Seely.	Mr. Liddell.
Lord F. Cavendish.	Mr. Ayrton.
Mr. Fowler.	Mr. Graves.
Mr. A. Egerton.	

The Committee considered the Army and Navy Appropriation Accounts.

[Adjourned till Wednesday next, at One o'clock.

Wednesday, 28*th April* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Lord F. Cavendish.	Mr. Egerton.
Mr. Sclater-Booth.	Mr. Ayrton.
Mr. Fowler.	Mr. Graves.
Mr. Liddell.	

The Committee deliberated, and further considered the Army and Navy Appropriation Accounts.

[Adjourned till Wednesday, 5th May, at Two o'clock.

Wednesday, 5*th May* 1869.

MEMBERS PRESENT:

Mr. Pollard-Urquhart.	Mr. Liddell.
Mr. Seely.	

A quorum of Members not being present, the Committee was adjourned till Wednesday, 12th May, at Two o'clock.

Wednesday, 12*th May* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Seely.	Mr. Ayrton.
Mr. Liddell.	Mr. Fowler.
Lord F. Cavendish.	

Mr. *Hanby*, Mr. *Brown*, Mr. *Whiffin*, Colonel *Murray*, and Colonel *Leahy*, severally examined.

[Adjourned till Friday, 4th June, at One o'clock.

Friday, 4*th June* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Lord F. Cavendish.	Mr. Egerton.
Mr. Seely.	Mr. Liddell.
Mr. Ayrton.	Mr. Sclater-Booth.

The Committee considered the subject of the Navy Excesses and Deficiencies.

[Adjourned till Wednesday next, at One o'clock.

Wednesday, 9*th June* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Fowler.	Mr. Egerton.
Mr. Seely.	Mr. Ayrton.
Mr. Liddell.	Lord F. Cavendish.

The Committee further examined the Army and Navy Appropriation Accounts.

[Adjourned till Friday next, at One o'clock.

Friday, 11*th June* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Lord F. Cavendish.	Mr. Seely.
Mr. Ayrton.	Mr. Sclater-Booth.
Mr. Liddell.	Mr. Algernon Egerton.

Mr. *Beeby* (Deputy Accountant), Mr. *Walker*, Colonel *Williams*, and Admiral *Robinson*, severally examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 16*th June* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Ayrton.	Lord F. Cavendish.
Mr. Liddell.	Mr. Sclater-Booth.
Mr. Fowler.	Mr. Egerton.
Mr. Seely.	

The Right Hon. *H. Corry* (a Member of the House) and Mr. *Walker*, severally examined.

The Committee considered the Appropriation Account relating to the Civil Services and Revenue Departments for 1867–68.

[Adjourned till Friday next, at One o'clock.

Friday, 18*th June* 1869.

MEMBERS PRESENT:

Mr. Pollard-Urquhart in the Chair.

Mr. Seely.	Mr. Ayrton.
Lord F. Cavendish.	Mr. Sclater-Booth.
Mr. Egerton.	Mr. Liddell.

Draft Report, proposed by the Chairman, read the first time, as follows:—

"1. Your Committee have examined the Accounts of the Savings and Deficiencies in the Army and Naval Expenditure for the financial year 1867-8, together with the Appropriation Accounts of the sums granted by Parliament for these Services, and the Report of the Comptroller and Auditor General thereon. These Accounts, in the form in which they have been presented to Parliament, exhibit a coincidence of expenditure and grants as regards the Army Services, and an excess of expenditure over grants, amounting to 366,545 *l.* as regards the Navy Services.

"2. If the account for the ordinary Army expenditure had been kept separate from that relating to the wars in Abyssinia and New Zealand, it would have exhibited a saving of 157,468 *l.*, but this amount was applied in aid of the expenses incurred for those wars. The actual sums brought to charge for those wars by the Department of the Army for the year ending 31st March 1868, were 1,272,066 *l.* for the Abyssinian War, and 506,192 *l.* for the New Zealand War, amounting to 1,778,258 *l.* for both; and after applying the above-mentioned saving of 157,468 *l.* in aid of this expenditure, the balance of 1,620,790 *l.* was discharged, by appropriating 1,114,891 *l.* out of the special grants for the Abyssinian War, and 505,899 *l.* out of the sum granted to make good advances from the Treasury Chest for New Zealand; and thus the accounts were made to balance.

"3. In the Navy Department, the sums brought to charge for the ordinary Navy expenditure exceeded the grants for the ordinary service for the year, by the sum of 364,910 *l.*, while that brought to charge for the additional expenses of the Abyssinian War amounted to 1,426,998 *l.*, which has been partly met by the appropriation of 1,425,364 *l.* out of the special grants made by Parliament for this purpose; the difference between the former and the latter sums being, as was explained by the Accountant General of the Navy, met out of separate surpluses on some of the ordinary Navy Grants.

"4. Your Committee are of opinion that it would facilitate the control of Parliament over the Public Money, and tend to promote economy in the Public Expenditure, if in future the accounts relating to the ordinary services of the year were kept distinct from those relating to extraordinary services, for which provision is made by separate grants. Your Committee having been furnished with the accounts made out in this manner, submit them for the information of the House.

"5. The attention of your Committee has been directed to the fact, that no Supplementary Vote for the excess of expenditure over grants for the Navy which occurred for the year ending 31st March 1868, was taken till February 1869. The late First Lord of the Admiralty, when examined on this subject, explained that as a large proportion of this excess was caused by charges unexpectedly entailed upon his department during that year by the dispatch of ships from the distant China station, rendered necessary by the civil wars in Japan, its full amount could not have been ascertained with any degree of accuracy until after the Prorogation of Parliament in the autumn of 1868; but they are glad to find from the evidence of the Comptroller of the Navy and the Accountant General, that arrangements are being carried out by the Admiralty to prevent a recurrence of this delay in bringing any increased expenditure under the consideration of Parliament.

"6. Your Committee have had occasion to observe upon the extent to which savings arising from the abandonment or postponement of certain Votes, have been applied during the year ending April 1868 to other works for which Parliamentary sanction had not been obtained, but as this and the further question raised by the Comptroller and Auditor General as to the disposal of the excess of the amounts realised as Appropriations in Aid beyond those estimated for, involve important considerations, they defer expressing any opinion upon them until a subsequent Report."

Question, That the Draft Report be now read a second time, and considered, paragraph by paragraph—put, and *agreed to.*

Paragraph 1, *agreed to.*

[Adjourned till Wednesday next, at One o'clock.

Wednesday, 23rd June 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Seely.	Mr. Liddell.
Lord F. Cavendish.	Mr. Egerton.
Mr. Ayrton.	Mr. Sclater-Booth.

Sir *W. Dunbar*, Bart., Mr. *S. A. Blackwood*, and Mr. *C. L. Ryan*, severally examined.

Paragraphs 2—5, amended, and *agreed to.*

Paragraph 6, *agreed to.*

Question, That this Report, as amended, be the Second Report of the Committee to The House—put, and *agreed to.*

Ordered, To Report.

[Adjourned till Friday next, at Two o'clock.

Friday, 25th June 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Ayrton.	Lord F. Cavendish.
Mr. Seely.	Mr. Liddell.

The Committee examined the Civil Service Estimates and Exchequer and Consolidated Fund Account.

The Chairman was directed to Report the Evidence taken before the Committee up to the 16th of June inclusive.

[Adjourned till Wednesday, 30th June, at Two o'clock.

LIST OF WITNESSES.

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MINUTES OF EVIDENCE.

Wednesday, 17*th March* 1869.

MEMBERS PRESENT.

Mr. Ayrton.
Lord Frederick Cavendish.
Mr. Algernon Egerton.
Mr. William Fowler.
Mr. Liddell.
Mr. Pollard-Urquhart.
Mr. Sclater-Booth.

WILLIAM POLLARD-URQUHART, Esq. IN THE CHAIR.

Mr. MORGAN HUGH FOSTER, C.B., called in; and Examined.

Mr. *M.H.Foster*, C.B.
17 March 1869.

1. Mr. *Ayrton.*] DID the Treasury take any step to give effect to the third resolution in the Report of the Committee of Public Accounts on the 21st of July last?—A circular was sent to the different departments, in accordance with that resolution, which I put in (*handing in the same*).

2. Were any replies received to that circular?—A reply was received from the Board of Trade to the effect that, in the General Register and Record Office of Seamen, one of the first class clerks received 50 *l.* from naval funds for services in connection with the Naval Reserve. According to the recommendation of the Committee, this sum should now be charged to the Vote for the Board of Trade, and not to that for Naval Services. In the Estimate for Lighthouses Abroad, a sum of 60 *l.* is included, in the amount proposed for the maintenance and repair of the Bahama lighthouses, for an allowance to the senior commissariat officer on the station in respect of services in superintending the accounts for the lighthouse establishment. This extra remuneration is sanctioned, in a letter from the Treasury dated the 31st of October last, but the fixed salary of this officer is paid out of the Vote for Army Services. It would appear, according to the resolution, that the allowance of 60 *l.* should be included in that Vote, and not in that for Lighthouses Abroad. There are other cases of the same kind.

3. Do you think that it would be convenient, or inconvenient, if this resolution were applied to cases such as you have mentioned?—I think it would be inconvenient to carry out such a rule in the widest view of the terms of the resolution, One of the arguments for charging an extra salary to the service for which it is performed is that it gives a hold to the department giving the extra allowance over the officer who receives it; for instance, if the commissariat officers now paid by the Admiralty for extra services were paid entirely out of the Vote for "Army Services," the control of the Admiralty over those officers would be weakened.

4. And the charge for the service would not be accurately presented in any form to The House?—No. It is very important, however, that the Estimates should show the whole emoluments of an officer; but that might be done by a foot-note.

5. Is it your opinion that where an officer is paid on account of two separate services from two separate departments, it would be better to show the total amount that he receives, by means of a connecting foot-note in the Estimates, rather than by attempting to bring the whole into one Vote? It depends very much upon the special case. As a rule, I think it would be better to pay an officer one salary for the whole of the services he performs, where those services are fixed and continuous; but there are exceptions where a better control is obtained by leaving the payment of extra remuneration to the department for which the extra service is performed.

6. Mr. *Sclater-Booth.*] The best way to make this resolution work as you would desire, would probably be to confine the third resolution in terms to cases of special services within the same department, and pass another resolution for services connected with another department?—I think that would be desirable.

7. Mr. *Ayrton.*] Even if the extra service were a comparatively permanent service, and the Estimates showed the two services as separate, might it not still be desirable in those cases that each Estimate should be complete, provided it made

Mr. *M.H. Foster*, C.B.

17 March 1869.

made it clear that the officer was receiving two salaries?—I am of opinion that to make each Estimate show the exact cost of a service is quite impossible, and that it is better for the Estimates to show the cost of the work performed by the department; and therefore if one officer performs two distinct duties, I would, as a general rule, include the whole of his salary in the department in which he serves; I speak of two continuous services.

8. Mr. *Algernon Egerton.*] Then your answer does not apply to cases where an officer employed at a permanent salary in one department is also employed on services in another department?—It is extremely difficult to draw a strict line; almost every case would require to be dealt with specially. I might instance such a case as this: suppose a Treasury officer is sent to inspect an office in Scotland, and report upon it; if he is sent by the Treasury, and has to report upon it to the Treasury, I should charge the expense of the inquiry to the Treasury; but if a department in Scotland were to write to the Treasury, and request that a Treasury officer should be sent down there to carry out an inquiry, I should then charge the expense of it upon the office that asked for the assistance. I think, therefore, that if you were to lay down one strict rule, it would be very inconvenient to carry it out.

9. Mr. *Ayrton.*] Supposing that an officer in the army were employed in civil employ, it would be extremely difficult to bring his army pay into the Civil Estimate, and it would be equally difficult to bring his civil pay into the Army Estimate, would it not?—It would be very difficult.

10. Mr. *Algernon Egerton.*] I suppose the object is that the House of Commons may know what an officer is receiving; if a Member of the House of Commons has, in order to ascertain the salary of an officer, to hunt through half-a-dozen Estimates, it is impossible practically that he can have a knowledge of what the salary is; what we want is to hit upon some plan by which any Member may find out what salary an officer is receiving?—I think that might be met by a foot-note; but wherever there is not a special reason to the contrary, I would have the whole of an officer's salary shown in the department in which he is serving.

11. *Chairman.*] But from the nature of these extra services it stands to reason that the cases in which that could not be done would be very frequent?—I think they would be frequent; for instance, I was on one occasion sent by the Foreign Office on a special mission to inquire into the finances of Turkey, and the Secretary of State for Foreign Affairs made me a grant for the performance of that duty; it is clear that the money so granted would be very improperly charged to the Treasury Vote upon which my fixed salary was borne.

12. Mr. *Liddell.*] I will take a case, which I suppose is a common one; there are certain engineer officers employed on duties which you would, no doubt, call continuous duties; in connection with the Board of Trade, in the inspection of railways for example?—Yes.

13. Those officers draw their pay, of course, from the War Office?—They draw pay from the War Office.

14. That being in the nature of a continuous service, ought their remuneration for the service they perform upon the lines of railway, in your opinion, to be charged against the Board of Trade or against the War Office?—I think that the employment being civil employment under the Board of Trade, it follows that the salary should be payable out of the Civil Estimates.

15. On the ground of its being constant permanent employment?—As being permanent civil employment on a special duty quite disconnected with the service for which the officer draws military pay.

16. Mr. *Ayrton.*] Therefore you would charge his army pay, if he is allowed to draw any, to the Army Estimates?—Yes, to the Army; I cannot see my way to laying down a fixed rule which shall govern all cases.

17. The word "temporary" is a very vague term; if an officer in the Army is taken out of the Army for a time, it may be for seven years, on a special service, that is to him a temporary service, because he may go back to the Army, and the service on which he is meanwhile employed is temporary as compared with his military service, which is permanent?—I may mention a case where there is a temporary service of that kind, in which I think it may not be right to follow the resolution of the Committee: there is a Public Accounts Commission with a secretary who is lent to them by the Audit Office; he has been thus employed for about a year and a half, and as secretary to the commission he receives a salary of 100 *l.* a year; his is a temporary employment, and would fall under the terms of the resolution; but I think to make the Audit Office pay for the secretary to that commission would be incorrect.

18. Mr. *Sclater-Booth.*] As it stands now this gentleman appears upon the Audit Estimate as receiving a salary as a second-class clerk, or whatever he is, and he appears upon your estimate as receiving 100 *l.* a-year upon a Treasury Commission?—Yes.

19. There is no foot-note, showing that it is the same individual in the two cases?—No.

20. And you think that there ought to be such a foot-note?—Yes.

21. Have you any suggestion to make upon this resolution; in what way would it be, in your opinion desirable, in the interests of the Estimates, that the resolution should be modified?—I think it would be desirable to state that it should only apply to services rendered in the same office; and I think I would allow, even in that case, some discretion to the Treasury to meet special cases.

22. Lord *Frederick Cavendish.*] In the case of a private secretary belonging to one department, and acting as a private secretary in another, to which department is his salary charged?—His salary would be charged to the office to which he belongs, and his pay as private secretary would be borne by the office for which he is then acting. I may say, with regard to the foot-note, that these things generally occur after the estimate has been printed, and therefore it would be rather in the account that the foot-note would appear than in the estimate.

23. Mr. *Algernon Egerton.*] In the Appropriation Account of the service?—Yes; there are cases where it might be shown in the estimate, but there are many cases where it could not.

24. It would serve every purpose as a check if it

it appeared in the Appropriation Account?—Yes, where the account shows the salaries in sufficient detail.

25. Mr. *Liddell.*] Are there any particular words which you yourself would suggest which would effect sufficiently for your purpose the relaxation which is required in the resolution?—I think it might read thus, beginning in the second line of the resolution: "in respect of the special services performed on behalf of the department to which he belongs, your Committee are of opinion that provision should be made in the Vote accordingly, under the sub-head upon which the fixed salary is charged."

26. Mr. *Algernon Egerton.*] Perhaps it would be better to say, "Where a public officer receives a grant or temporary increase to his fixed salary, in respect of special services in another department, your Committee are of opinion that such grant or temporary increase should be noticed in a foot-note upon the Appropriation Account, referring to such department," or words to that effect?—That would do.

27. *Chairman.*] I suppose the resolution of last year applied principally to the cases in which the ordinary work of a department is heavier than usual, for you do occasionally give a gratuity in cases of that sort, do you not?—Occasionally; but very rarely.

28. Mr. *Liddell.*] I think, if I remember right, there was an exception in Mr. Scudamore's case, upon the ground that the special services that he was performing, although continuous, were connected with a department for which no public grant of money was made; is that so?—I think that that distinction was made; I do not think it tells strongly, because although there was no grant made for the department, there were funds out of which the extra remuneration could have been paid.

Wednesday, 12th May 1869.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Liddell.
Lord Frederick Cavendish.	Mr. Pollard-Urquhart.
Mr. William Fowler.	Mr. Seely.

WILLIAM POLLARD-URQUHART, Esq., in the Chair.

Mr. William Brown, and Mr. John Hanby, called in; and Examined.

Mr. *W. Brown*; Mr. *J. Hanby*.

12 May 1869.

29. Mr. *Ayrton* (to Mr. *Brown*).] You are the Accountant General of the Army?—I am.

30. (To Mr. *Hanby*.) You are Book-keeper at the War Office?—Yes.

31. (To Mr. *Brown*.) Let me call your attention to the Appropriation Account for 1867-68, which has been laid before Parliament; you will observe that there are two sums which are mentioned at page 4 of the Appropriation Account; one sum of 1,272,066 *l.* for the expenses of the Abyssinian War, and a sum of 506,192 *l.* 6 *s.* 11 *d.* for expenses incurred on account of the New Zealand operations?—Yes.

32. In the Statement of Savings and Deficiencies upon the grants for the army service, these two services are constantly mentioned as sources of expense; can you furnish the Committee with a detailed statement of the expenses on account of these two services?—I have a detailed statement here which we have prepared to show that.

33. Will you hand it in?—(*The same was handed in.*)

34. These items of expenditure were carried to the different accounts throughout the year, upon a consideration of the facts as they arose, I presume?—Exactly so.

35. And all the expenditure, apart from those two services, within that year was an expenditure on account of the ordinary Estimates as if those events had not occurred?—Yes; on account of the ordinary services.

36. Does this account which you are now handing in contain a statement showing the expenditure on account of the ordinary services, as if the two events had not occurred?—Yes.

37. (To Mr. *Hanby*.) Can you, for the convenience of the Committee, state the amount of the expenditure for the ordinary services?—The expenditure charged under ordinary grants is 16,169,272 *l.* 8 *s.* 10 *d.*

38. Mr. *Liddell*.] That is the whole expenditure for the army?—That is the whole expenditure for the ordinary services of the army.

39. Mr. *Ayrton*.] By that we understand that it is the ordinary services mentioned and specified in the Estimates, as if the events connected with New Zealand and Abyssinia had never happened? Exactly.

39*. What is the amount of the Appropriation in Aid to be deducted from that ordinary expenditure, confining the evidence now entirely to the proceedings apart from New Zealand and Abyssinia?—The balance on the appropriations in favour of the department will be 90,350 *l.* 7 *s.* 1 *d.*

40. *Chairman*.] You say that is the balance on the appropriations?—Yes.

41. By that you mean the actual amount of the appropriation over and above what was estimated, do you not?—Yes.

42. Mr. *Ayrton*.] That is over and above the Appropriation in Aid, as stated in the Estimate laid before Parliament?—Yes.

43. Deducting the whole Appropriation in Aid with that added to it, what was the amount of the actual expenditure for the ordinary service?—£. 15,094,876 *l.* 1 *s.* 9 *d.*, which amount, if deducted from the grants by Parliament, leaves a saving of 157,467 *s.* 15 *s.* 9 *d.* net, or 446,226 *l.* 18 *s.* 4 *d.* gross.

44. Would that be after deducting the savings also upon the ordinary service?—No; the saving upon the ordinary services being appropriated towards defraying the extra cost of the Abyssinian Expedition and New Zealand War.

45. What was the amount of the savings on the ordinary service?—The aggregate was 355,876 *l.* 11 *s.* 3 *d.*

46. These two items of Appropriation in Aid and savings being deducted from the expenditure, would leave the balance which you have stated; is that so?—Yes; so far as the two items of Appropriation in Aid are concerned; but the saving upon the grant must be devoted towards defraying the extraordinary expenditure and not the ordinary service of the army, the cost of which, in 1867–8, fell short of the amount estimated.

47. Then the Committee are to understand that, as far as the nett savings were available, they were appropriated towards the expenditure for the New Zealand and Abyssinian services?—Yes.

48. And after deducting that saving, the balance that remains in excess is, in point of fact, the whole of the Abyssinian and New Zealand expenditure, less the savings?—Yes, precisely.

49. And it is in that way that really the account is balanced?—It is so.

50. (To Mr. *Brown*.) We have been speaking of the ordinary expenditure; by that you mean the whole of the expenditure contemplated by the Estimates except the two extraordinary items of New

New Zealand and Abyssinia?—Yes, the actual ordinary expenditure.

51. Mr. *Liddell.*] Which items amount, with regard to Abyssinia, to 1,272,066 *l.*, and, with regard to New Zealand, to 506,192 *l.* 6 *s.* 11 *d.*?—Yes.

52. Mr. *Ayrton* (to Mr. *Hanby*).] Then the nett addition so arrived at is that which is stated in the account which has been already submitted to Parliament?—It is so. I may observe that, upon the ordinary grants, we had an excess of 288,759 *l.* 2 *s.* 7 *d.*; which would have to be taken off the 446,226 *l.* 18 *s.* 4 *d.*, leaving a nett available balance on the ordinary transactions of the Army upon the ordinary Estimates of 157,467 *l.* 15 *s.* 9 *d.* I omitted to deduct the deficiencies on the ordinary transactions of the army. This paper contains another statement in detail.

53. The account now handed in contains under each of the Votes the specific excess in figures that was produced by the operations in New Zealand and Abyssinia?—Yes.

54. *Chairman.*] If I understand you rightly, you give the Committee to understand that in the account of the ordinary expenditure you have taken credit for a smaller amount for the New Zealand and Abyssinian Grants than you might have done?—Yes.

55. Will you say upon what principle you have taken credit for the exact amount of 505,899 *l.*, 14 *s.* 3 *d.*, from the New Zealand Grant, and the amount of 714,891 *l.* from the Abyssinian Grant?—Upon receiving all the Indian Accounts, we found that they amounted, with the exception of about 400,000 *l.*, to the sum of 872,066 *l.* 3 *s.* 1 *d.*; while the saving upon the ordinary grants being only 157,467 *l.* 15 *s.* 9 *d.*, it was quite necessary to go to the Treasury for a transfer from the Vote of Credit to make good the deficiencies on Army Funds in consequence of the advances towards the extraordinary expenses of the Abyssinian Expedition. During the native hostilities in New Zealand, advances were made from Army Funds and the Treasury Chest for the purpose of paying the native militia and volunteers, and other services, the amount of which was to have been repaid from the Colonial Revenue; but a delay having taken place, the Treasury obtained a special grant from Parliament in order to adjust those accounts, allotting the sum stated to the War Office.

56. I understand that perfectly; you were permitted to take credit for a deficiency, including the expenditure for the extraordinary expenses in New Zealand and Abyssinia, amounting to a little upwards of 1,000,000 *l.*; but I want to know upon what principle you have apportioned that deficiency between the New Zealand Grants and the Abyssinian Grants?—In the case of New Zealand, advances were made from Army and Treasury Chest Funds; and in that for the Abyssinian War, the War Office purchased stores, mules, and other supplies, solely, both of which had to be made good in the manner prescribed by Treasury Minutes.

57. I do not understand on what principle you take credit for 505,899 *l.* 14 *s.* 3 *d.* for New Zealand, whereas you might have taken credit for more?—It was to square the account for New Zealand that we received the 505,899 *l.* 14 *s.* 3 *d.* from the Treasury, the balance being left to be defrayed from the surplus on ordinary grants.

58. You might have received more from the Treasury, might you not?—Yes, but only a trifling amount; only the very small sum of 292 *l.* 12 *s.* 8 *d.*

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59. It appears, by this account, that 764,829 *l.* was the amount of the advances from the Treasury Chest for New Zealand?—That amount was the transfer out of the special Vote for making good the Treasury Chest advances in New Zealand. The Treasury gave us 505,899 *l.* 14 *s.* 3 *d.*

60. Upon what principle was it that the Treasury allowed that exact sum?—Upon the faith of an account which we rendered at the time.

61. Was the account you rendered at the time an account showing the amount of expenses which had been incurred for the war in New Zealand?—Yes, for the militia and the local levies, and other expenses incidental to the insurrection.

62. I see that the amount of expenses incurred in respect of the insurrection in New Zealand is stated as being 506,192 *l.* 6 *s.* 11 *d.*?—Yes; there was a slight balance which the Treasury permitted us to close by charging the ordinary grants of the army with it.

63. Now will you turn to page 4 of the Appropriation Account; you will see that you have taken credit for "Manufacturing Departments; amount received in re-payment for services performed for other departments: and Votes, more than Estimate, 51,275 *l.* 0 *s.* 9 *d.*:" and, "Warlike Stores; value of stores issued on repayment more than Estimate, 150,749 *l.* 16 *s.* 9 *d.*:" those items brought in a considerable excess beyond that which was estimated; do you agree with the observation of the Comptroller and Auditor General, that those excesses ought to have been paid into the Exchequer?—No.

64. If those excesses had been paid into the Exchequer, in the manner suggested by the Comptroller and Auditor General, of course you would have been obliged to have taken credit for a considerably larger sum from the New Zealand and Abyssinian Grants?—That would have been the case.

65. If there was any truth in the principle, that these excesses ought to have been paid into the Exchequer instead of being treated as Appropriations in Aid, ought not the whole of the money you received to have been paid into the Exchequer instead of merely the excesses?—That is a wide departmental question, now under consideration.

66. You do not feel yourself prepared to express an opinion upon it?—We had the Treasury sanction to treat the account as you see it.

67. The Comptroller and Auditor General thinks the account ought to have been made out in another way; you have read his report, have you not?—Yes.

68. If it had been made out in the way suggested by Sir William Dunbar, you would have drawn to a greater extent upon the New Zealand and Abyssinian Votes of Credit, would you not?—Yes; or have requested Parliament to make good the deficiency.

69. I know it would have been the same in the long run; I only speak of the form of the account?—That is so.

70. (To Mr. *Brown.*) On the whole, do you think that it would have been a more satisfactory way of making up the account, to have taken credit for all that the War Office actually did spend on account of the New Zealand and the Abyssinian Wars, and then to have shown the balance on the ordinary expenditure?—I think

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that each distinct operation had better always be distinctly shown and treated as such, instead of being blended with other matters.

71. If the Abyssinian and New Zealand operations had been distinctly shown, you would have shown a balance of expenditure on the Army Estimates, would you not?—Yes. I think for extraordinary services of that kind, extraordinary Estimates should have been prepared, and extraordinary Votes taken.

72. On the whole, you think it would have been more satisfactory if the two matters had not been blended, and if the account had therefore shown the balance of expenditure upon the Army Estimates?—I think so.

73. Mr. *Ayrton* (to Mr. *Hanby*).] Will you be good enough to look at page 7 of the Army Savings and Deficiencies, where you find it stated that there is an excess of 91,820*l.* 8*s.* 7*d.*, on account of an increase of officers and men; you will observe there, that whilst the number of men was very considerably diminished, the number of officers was considerably increased?—Yes.

74. Will you be good enough to explain how that happened?—It happened for the most part from the estimate having provided for the pay of certain battalions serving abroad (under orders to return home) at a strength of 10 instead of 12 companies, at which they remained until their arrival in England. As the entire reduction could not be effected within the financial year, a larger establishment, namely an establishment of 12 companies, was retained. Hence, during the year, a certain number of officers were above the establishment. (Mr. *Brown.*) There were a certain number of officers who were borne as supernumerary to their corps to be absorbed as vacancies occurred. The vacancies did not occur as soon as we anticipated, and therefore the pay of the supernumerary officers caused an excess. When the regiments come home from abroad, and are put on a smaller establishment, the surplus officers are retained as supernumeraries to be absorbed as vacancies occur; and therefore until the vacancies occur, the pay of those officers is a temporary excess beyond the Estimate.

75. Mr. *Liddell.*] If a vacancy does not occur within that financial year, it creates at once a deficiency?—It creates an excess of expenditure. As a matter of account, we only hope that casualties will be numerous, and that vacancies will occur quickly; but if the lives of officers are prolonged, an excess beyond our estimate is created.

76. Lord *Frederick Cavendish* (to Mr. *Hanby*).] I observe the excess of officers on the British establishment and in the Indian depôts is greater than the deficiency of officers in India; on the British establishment there is an excess of 128 officers, and in the Indian depôts there is an excess of 69, making a total of 197, and India has a deficiency of only 170; therefore, from some cause or other, the number of officers seems to be greater by 27 than, according to the Estimates, it should be; what does that arise from?—The "officers at the depôts" represent those from India who are doing duty at the depôts.

77. Mr. *Ayrton* (to Mr. *Brown*).] Does the number of officers and men in the Indian depôts, represent the number of recruits only, or does it include the number of men sent home from India also?—It includes both the men invalided from India and the men training to go out to India.

78. So that that depends very much upon the action of the Indian Government; upon its requisition for troops, and upon the number it sends home?—It also depends partly upon the operation of the Home Government in not discharging, if they possibly could, those men who are invalided and staying at Chatham, doing nothing to all intents and purposes, but wanting to complete a period of service.

79. Then if what is wanting to complete their term of service is short, they keep them there until that service is completed, do they?—Yes, just to complete the term of service, and that very often causes an excess of men at Chatham.

80. *Chairman.*] As I understand it, you attach to any regiment the number of men and officers which you suppose will be sufficient, supposing the ordinary casualties to occur?—Yes.

81. Then, if the ordinary casualties do not occur, if the season is healthy, and fewer men and officers are killed than usual, it follows that there is an excess of expenditure?—Each regiment has a fixed establishment, and according to that fixed establishment, without reference to anything else, the numbers are allotted to the regiment. A regiment ought to have 40 officers and 1,000 men; and the regiment is recruited up to that number without reference to anything else; if a vacancy occur, either of an officer or of a man, his place has to be filled up.

82. Mr. *Ayrton* (to Mr. *Hanby*).] In the Appropriation Account of Vote Number 3, page 6, you observe it is stated, "An increase was made to the militia during 1867-68, and the extra clothing provided out of Army Votes; but as the issues could not be completed before the 31st of March 1868, the value could not be transferred to this Vote from Vote 8"; will you be good enough to explain that, and show why there is no corresponding deduction in Vote 8?—The Director of Clothing has given me this memorandum: "During the year 1867-68, the Government determined to increase the militia coming out for training in April 1868; the pay for these additional men was taken in the Estimates for 1868-69 as the men came out in April, but the Estimates for 1867-68 only provided clothing for the reduced numbers, and the clothing for the additional men who came out in April 1868 had to be provided during the year 1867-68; but the clothing, although paid for, could not be issued till after the 1st of April 1868, and consequently could not be recovered from Vote 8 for 1867-68, but from 1868-69."

83. In the statement of Excesses, in page 7, the number of effectives more than the establishment is stated at 2,914, but in the statement of the excesses for clothing, at page 31, the number of men in excess is stated as 4,889, and in this excess no allowance is made for the deficiency, which appears to amount to 1,232 officers and men; will you be good enough to explain this discrepancy?—The calculation which governed the issue of clothing to the troops was based upon the number of men effective in the different regiments, and not upon that which yielded the 2,914. In clothing the army, reduced numbers in one regiment cannot be taken as a set-off against an excess of strength in another; for clothing must be provided for nearly the full number of effectives in any particular regiment, and that beyond establishment becomes a source of an increased charge.

84. (To Mr. *Brown.*) You will observe that in some of the items in these accounts, the expenditure for Abyssinia is stated to be larger than the excess, as shown in Vote 7, at page 7 of the Appropriation

Appropriation Account; will you be good enough to explain how that apparent discrepancy occurs; if you turn to the Statement we were looking at before, on page 7 of the Appropriation Account, the Vote is "Medical Establishment, Services and Supplies"; then, if you look at Vote 7, "Hospital Establishment, Services and Supplies," Abyssinia stands for 27,083 *l.*, whereas the excess of the Vote is only 14,717 *l.* 15 *s.* 7 *d.*?—There was a saving upon the ordinary Grants of 13,522 *l.*, which has been deducted from the extra expenses of the Abyssinian War, which left a nett excess upon the aggregate transactions of 14,717 *l.* 15 *s.* 7 *d.*

85. Then these apparent discrepancies throughout arise from the fact, that the saving is deducted from the whole expenditure to arrive at the actual excess?—Yes.

86. This mode of stating the account which has rendered it difficult to follow these items was adopted by the order of the Treasury, I believe?—It was adopted under the distinct orders of the Treasury.

87. Turning to Vote 14, it appears that there was an expenditure arising from the purchase of the Camerata Building in Malta for conversion into quarters for married soldiers, not provided for in the Estimates, but sanctioned by the Treasury; can you explain why this transaction was not put into the Estimates?—As it does not rest with the Account branch what items are included or omitted in the Estimate, perhaps you will kindly put that question to the executive officer, who is present here, and who prepares that Estimate.

88. Who is that?—Colonel Murray will answer that question. We are not responsible for that Estimate.

89. *Chairman.*] That would apply also to the erection of barracks in Nova Scotia, I suppose?—Exactly. Colonel Murray will explain both of those items.

90. Mr. *Ayrton* (to Mr. *Hanby*).] The Committee were desirous of obtaining from you an explanation why an item of Excess (a sum of 4,000 *l.*), in Vote No. 16, at page 8 of the Appropriation Account, was brought to charge after it had been once charged for the service?—At the commencement of the operations under the Acts for defraying the expenses of fortifications, the classification of the expenditure was not fully appreciated by those who had the classification of the accounts; consequently, the details recorded varied from those required by the Treasury Minute of the 14th August 1867. An investigation is now taking place with regard to the Accounts of the Loan in the course of which this blot was discovered. It then became necessary to remove this sum to its proper head of service, but had it been recorded correctly in 1860, it would have gone against Army Grants, and not the Loan for the Defences. Happily, the Treasury insisted upon the Accounts being revised, and the classification and revision passing under the observation of the Exchequer and Audit Department; and hence arose the necessity of making this transfer to the Account which originally would have borne the charge had the classification been as it should have been.

91. Then the effect is, that that loan fund will be increased to this amount, and that sum will be paid or written off as an Excess in that year?—Yes, an Excess on the Army Votes. I must also observe that in 1860 a sum of 4,000 *l.* was taken upon the Army Estimates for defraying the cost of certain defensive positions which altogether lapsed in favour of Ways and Means.

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92. Because the charge was made to the Loan Account?—The expenditure which the Vote of the 4,000 *l.* was intended to meet was defrayed out of the loan.

93. Then in that year the Army Department had the 4,000 *l.* available as a saving for the purposes of spending it to cover other expenses, and now they put it into the Army Excesses as an expenditure?—I rather think that that amount was surrendered it in aid of Ways and Means, but I am not sure.

94. But it was first available as a saving to cover any additional expenditure upon other heads of account; and that department having thus used and spent the money, or disposed of it, it now appears again as an actual expenditure?—Yes; it now appears as an actual expenditure, but applicable to a prior period, and liable to be treated as a correction of an error in an account previously rendered to Parliament, and a disturbing cause in that now before you.

95. Still it is correct to say that, under the present system of accounts, if there were an excess of expenditure in that year over the Estimates, that 4,000 *l.* was an available sum to pay that excess?—Yes.

96. It was available for any purposes of the army?—Yes.

97. And therefore it might have been so applied, and having been so applied and spent, the expenditure is now entered, in point of fact, again?—Yes. (Mr. *Brown.*) But the public have not lost 4,000 *l.* by the transaction. It was merely that that money was available instead of another 4,000 *l.* which we should have asked for.

98. Under the present system, it amounts to this: the Secretary of State for War can, under the authority of Parliament, spend 4,000 *l.* in some way or other, and then he can, in another year, put down the actual expenditure which the money was granted for as an excess?—Yes; but Parliament having approved of the service, and having voted a sum of money for the service in either case, whether that sum is available for one item or the other, makes no difference to the public.

99. Still the Secretary of State for War need not spend it for the purpose for which it is voted, and not having so spent it, but having spent it for other services, he may then enter the expenditure in another year as an actual expenditure?—Yes.

100. *Chairman.*] Do you approve of that principle?—I do not see any ground for disapproving of it; it is only making use of money which Parliament has granted, and which is not wanted for the particular purpose for which Parliament intended it, and using it for a purpose, also approved by Parliament, for which you do require it.

101. In short, it is temporarily leaving undone a thing which Parliament wishes to be done, and doing a thing which Parliament did not wish to be done?—No; it is appropriating money which you do not want for a specific object, for another object for which it is required, and for which you got Parliamentary sanction. Instead of going to Parliament for another 4,000 *l.*, you use this 4,000 *l.* which is not wanted for the particular purpose for which it was originally intended.

102. Mr. *Ayrton.*] Would Parliament have given the money except under the belief that it

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was absolutely necessary to give it for the particular object?—The money was asked for in good faith; the money was given in good faith, and I consider that good faith is kept with the public by not spending it, as it is not wanted, for that purpose, but in making use of it for another purpose for which Parliament has given leave to spend so much money.

103. In considering what are Savings in the Army Estimates, do you think that there is, or that there ought to be, a distinction in principle between these two classes of savings; first, money that Parliament grants for a service which is not performed; and, secondly, money which Parliament grants for a service which is actually saved and rendered wholly unnecessary?—I think there should be a distinction between an actual saving and a deferred service. The amount of a deferred service ought to be surrendered, in my opinion.

104. Absolutely?—Absolutely.

105. You think that where Parliament has granted the money for a service, and it is deferred, but will eventually have to take place, it is not expedient that it should be treated as a fund in the hands of the Secretary of State for War, to be expended in any other service?—I think so, especially if it is to be spent upon a service which has not received Parliamentary sanction.

106. You think that the true definition of a Saving is where money is granted for a service, and by economy or other intelligence in the administration of the department, the expenditure is rendered wholly unnecessary and is economised?—Yes.

107. You think that that should be the limit of the saving that the Secretary of State for War should apply to some other object?—No, I do not think you should make a distinction in that respect; I think, if the department by its administration can save so much money upon a work for which they have got a grant, that saving should be paid into the Exchequer.

108. Do you then go to the full extent of thinking that the practice of appropriating savings to cover expenditure unsanctioned by Parliament is undesirable, and that the Secretary of State should come to Parliament for a distinct sanction for the whole of his extra expenditure?—There is this difficulty with regard to coming to Parliament; Parliament may not be sitting, and the Secretary of State may have no means of getting the money at once. An emergent service arises, and, in the absence of any funds, how is that emergent service to be performed unless the Secretary of State has money granted him in some shape or other to meet that extraordinary and emergent service? Supposing a service takes place in August or September, he cannot wait until Parliament meets in the following February to ask for money. Under those circumstances, is he to be empowered by Parliament to undertake works which he has no money for, or is it to be met by the Treasury giving him money? They have no funds, I imagine, available for these purposes, and therefore, unless he is allowed to make use of these waifs and strays, how is he to meet such contingencies?

109. Can you consider it a waif or a stray when a service which Parliament has sanctioned has, in fact, to be performed in the future, or is it only a waif or a stray when he has actually, by some economic administration, been enabled to dispense altogether with the expenditure; let me call your attention to the distinction between the two classes which now pass under one common name of savings, and let me then ask you whether you think any distinction should be made in the treatment of these classes of transactions?—No; you should treat the one just as you treat the other. I am quite of opinion that they should be both treated under the same category. It is a large question whether it would be convenient and advantageous for the public service that these savings or postponed services should be paid into the Exchequer, and not made available by the Secretary of State to meet any extraordinary or unforeseen service, but certainly I think they should be treated alike.

110. *Chairman.*] Do you mean to say that you would make no distinction whatever between savings arising from an economical performance of any one service, and savings arising from omitting to perform any service?—Certainly not; I would treat both cases alike.

111. Mr. *Ayrton.*] You would either have them both placed at the disposal of the Secretary of State, as at present, to meet any unforeseen expenditure, or you would have them both surrendered into the Exchequer absolutely, leaving all extra expenditure to be dealt with and provided for in some other way?—Yes; I can see no reason for treating the two kinds of savings differently.

112. Is there not a reason in this, that in the one case it is a stimulus to economy, and in the other it has no such effect in point of economy, but merely enables the Secretary of State, by taking a Vote for services which he need not prosecute, to get a considerable command of money which he can spend without the special sanction of Parliament?—I think there is quite stimulus enough upon every branch to effect a saving, if they possibly can, because the money is sure to be required for other purposes; some service or other will arise which will require all the possible savings that they can effect. I do not think that any branch requires a stimulus to economy; I think it very much redounds to the credit of any branch that effects a reduction.

113. Is not it rather a stimulus to a want of economy, if, by deferring services, the Secretary of State can have at his disposal the funds voted for those services to spend in matters unsanctioned by Parliament?—That is supposing that the Secretary of State blindly and laxly performs his duty; nothing is put before the Secretary of State that has not to be well substantiated with good reasons. It is necessary to explain why this extra expenditure has to be incurred; there is great hesitation on the part of the department in bringing before the Secretary of State a work to be done in excess of what is provided for in the Estimates, for anything of that kind is always received with a certain amount of coldness and displeasure. The Secretary of State, I think, is not apt to like these applications, or disposed to be extravagant.

114. Mr. *Seely.*] Has the Secretary of State now the power of spending money that is taken for one Vote, and applying it to another Vote?—No.

115. Then he cannot apply any money voted, say, under Vote 1, for any purpose under Vote 2?—He has no power of himself to apply any such money as you suggest.

116. Can he get that power by application to the Treasury?—Upon the close of the account,

account, which is shown to Parliament, he can obtain Treasury sanction for the application of a saving upon one Vote to meet an excess upon another Vote, but that is the only way in which he gets the money out of one Vote to meet an excess upon another.

117. That is done by the authority of the Treasury?—By distinct Treasury authority, which is laid before Parliament.

118. Then under that authority he could apply money voted for warlike stores in the payment of men?—Temporarily.

119. Mr. *Liddell.*] Supposing that the department is engaged in military operations abroad, and a sudden unforseen demand, arising on account of the Treasury Chest, application is made to the department, but the demand not having been foreseen, no provision has been made for it in the Votes, what steps would the War Department take to meet an unforeseen demand of that kind?—We should refer the case to the Treasury, with whom the whole operation would rest; the Treasury Chest being, as the word designates, a Treasury concern, and not a War Office concern.

120. Mr. *Ayrton.*] The Treasury grant you a credit for the amount, and how they get the money for the credit you do not know?—No; we neither know nor care.

121. Mr. *Liddell.*] It is quite clear that you must not let the military chest run dry?—I should hope the Treasury would not let it run dry.

122. You cannot stop military operations for want of money?—No.

123. You apply to the Treasury and the Treasury responds, that is as far as you wish to go?—Our officer draws out of a chest which is supposed to be inexhaustable, and we have never yet, to my recollection, found that the Treasury Chest was empty. I am sure that the Secretary to the Treasury will keep things in good order.

124. Mr. *Ayrton.*] You will observe, at page 9, in the Appropriation Account, there is a sum of 1,490 *l.* 2 *s.* 8 *d.* "written off as irrecoverable, being balances due by sundry persons"?—Yes.

125. Will you explain what the nature of that operation is of writing off these sums, and what they arise out of?—There is a most miscellaneous collection of balances unadjusted by individuals, owing to their having become bankrupts, or to various other causes. I have here a list which has been prepared, giving you an exact account of that 1,490 *l.* I will give an illustration of those sums. A deficiency arises upon an account, we will say, of 1,100 *l.*, of which we have only security for 1,000 *l.*, and not being able to recover the 100 *l.* in any other way, that 100 *l.* will be written off as a loss to the public. This Paper (*producing a Paper*) will give the Committee a history of the amounts making up the 1,490 *l.* It arises out of various little incidental expenses.

126. Will you hand in that Paper?—(*The same was handed in.*)

127. (To Mr. *Hanby.*) Will you explain to the Committee the principle which is now adopted for distinguishing between the Appropriation in Aid and Extra Receipts, more especially comparing pages 2, 4, and 16 of the Appropriation Account?—The Extra Receipts are for the most part derived from contributions from the Indian Government and the Colonial Government, by way of subsidy, from rents, fines from certain individuals, dividends on stock invested in Government securities, proceeds of the sale of land, per-centages, and items of that description, all of which do not emanate directly from any grant by Parliament.

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128. You mean that those are monies which are received, but are not identified with a particular transaction under any particular Vote?—Yes.

129. But they are monies received generally on account of the service of the army?—Yes, indirectly.

130. And therefore they are monies which cannot be deducted from any specific part of the transactions under a particular Vote?—Exactly.

131. Therefore they go into the Consolidated Fund generally?—Yes, and sometimes they cannot be depended upon, particularly in the case of the Australian Colonies.

132. When you say that they cannot be depended upon, you mean that they are repayments which do not directly arise out of the transactions under the Vote?—Yes; sometimes Colonial Governments are irregular in making repayments, that is all. In our present Extra Receipts there are other sums which, more or less, emanate from the grant, such as stoppages from the pay of the men forfeited by sentence of a court martial, sale of refuse stores, maps, sale of old clothing, and items of a like description; all these, more or less, emanate from grants, the services having been supplied out of the grants of previous years.

133. But they are not identified with a grant of the particular year?—No, not in all cases.

134. The expense has been incurred in previous years?—Yes, in many instances.

135. And it results in a receipt in the present year?—Yes; it has been considered desirable to pay these extra receipts into the Exchequer as revenue.

136. Then with regard to the Appropriation in Aid, they are all monies that you receive as part of the operations carried on for a particular service under a particular Vote, are they not?—Yes.

137. So that you can trace the receipt directly to the transaction embraced in the Vote?—Yes.

138-9. And therefore you deduct the money that you so receive from the money that you spend on the operations covered by the Vote?—If there be a deduction in the estimate to warrant it, we do. (Mr. *Brown.*) You will see in Vote 3, under the head of "Clothing Establishments, Services, and Supplies," that there is a very large deduction for work performed for other departments; in those cases we can immediately get the money repaid by the department for which the work was performed.

140. You manufacture clothing on the one hand for some other department, and on the other hand you get paid the particular expenditure for the clothing you send out?—Yes.

141. The particular expenditure is repaid to you for the expenditure under that Vote?—Yes.

142. And therefore you deduct it?—Yes.

143. So that only the result is the actual service and expenditure for the country?—Yes.

144. Mr. *Liddell.*] You frame an estimate in the department every year of the amount of the Appropriations in Aid, do you not?—A sum is put in the estimate anticipating what will be the result; it is arrived at upon the average of three years' previous receipts.

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145. Mr. *Ayrton* (to Mr. *Hanby*).] In the Extra Receipts you will observe that there is a large item of the ship ration and stoppages of pay of men on passage to and from India; will you explain how that is brought in as an extra receipt?—Prior to the year 1860-61, the full pay of the men was charged against the Indian Government from the date of embarkation in the case of regiments proceeding to India, and to the date of disembarkation in the case of those returning from India, credit being given in the account for the stoppages from the men's pay while on board ship. In 1861-62, the capitation rate of 10 *l.* for every effective soldier came into operation, and that 10 *l.* was based upon the net expenditure upon an average of years; consequently the net sum paid by the Government of India represents the net contribution to the expenditure. As the ship ration stoppages merged in the net expenditure, we look upon that as an additional sum in aid of the expenditure, and pay it into the Exchequer as additional to the contribution made by the Indian Government.

146. Then the reason why it is treated there as an extra receipt, and not as an appropriation in aid, is that the 10 *l.* per head itself is an extra receipt, and you therefore, on account of that 10 *l.* per head, cannot properly allocate the 56,000 *l.* to that particular service?—Yes.

147. You are obliged to put it all as one general receipt?—Yes.

148. There is also an item at the end of the Extra Receipts, of Departmental Expenses on Stores Sold; if those stores sold were supplied and sold within the year, they would be part of the Appropriations in Aid?—They would be so.

149. Has this expenditure reference to that receipt and expenditure of stores?—The per-centage is upon the sum we credit our Votes with, and it represents a charge, as it were, for clerical labour, for certain carriages and miscellaneous charges of one denomination or another, which from time to time it has been thought advisable to merge in a per-centage.

150. You mean that you put a per-centage charge to cover those expenses upon the stores that you sell, but inasmuch as this per-centage charge extends over several items, and cannot be specifically allocated to any particular service, it is obliged to be treated as an extra receipt?—Yes, it must be treated as an extra receipt.

151. Lord *Frederick Cavendish* (to Mr. *Brown*).] Is there, practically, any difficulty in saying when a sum should be entered as an extra receipt, and when it should be entered as an appropriation in aid?—That is a very large question which has been under the consideration of this Committee, I believe, for five or six years. It has been under the consideration of I do not know how many Committees. Whether this Committee is considering it now or not, I do not know. The Treasury are considering it.

152. I do not ask about the advisability of making any change in the regulations, but is there any difficulty in acting up to the present regulations?—We find no real difficulty at the War Office.

153. Mr. *Ayrton*.] The difficulty consists in trying to frame a definition in general terms that can be applied to every particular case, I suppose?—That is very much the difficulty; it is to make one sweeping designation applicable to all cases; the difficulty is in arriving at one result.

154. But when you examine each particular case to discover whether it should be brought into the account of a particular service embraced within a Vote or not, you find a solution of the difficulty?—Yes. Our disposition is to pay it in as an extra receipt; whenever there is a doubt we pay it in as an extra receipt.

155. *Chairman*.] Will you turn to page 21 of the Appropriation Account for the year ending March 1868; do you see at the top of the page a paragraph beginning "The Comptroller and Auditor General," and so on?—I see it.

156. Do you approve of the principle laid down by the Comptroller and Auditor General there?—We do not estimate the suggestion highly; we see no advantage whatever in adopting it.

157. On the contrary, do you not think that it would be almost an advantage if it was to go the other way: the Comptroller and Auditor General says, "In the cases where the Appropriations in Aid have realised more than the estimated amount, no alteration of the results of comparison is suggested;" do you not think that it would lead to much greater extravagance and jobbery to make no alteration when the Appropriations in Aid have realised more, than to make it when they have realised less?—I think that it is very capable of being done when they have realised less.

158. I just wanted your opinion upon it?—I quite agree with the view indicated in your question.

159. Mr. *Ayrton*.] Will you be good enough to explain how you arrive at the sum of 150,749 *l.* 16 *s.* 9 *d.* as a deduction on account of stores issued on repayment, at page 74 of the Army Savings and Deficiencies?—That would be merely the difference between the estimates of appropriation and the actual appropriation. The like figures will be found in the appropriation Statement, and also at page 4 of the Savings and Deficiencies. The object is merely to show the savings on the one hand, and the appropriations on the other.

Lieutenant Colonel Thomas Andrew Murray, R.E., called in; and Examined.

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160. Mr. *Ayrton*.] Will you state what Office you hold?—I am Deputy Director of Works for Barracks.

161. Will you be good enough to explain why an item of 18,000 *l.* appearing as an excess on Vote 14, at page 8 of the Appropriation Account, was not entered in the Estimate for that year?—Negotiations for the purchase of these buildings had been going on for a considerable time, and at last the owner or the agent empowered to settle the business came over to this country. The first sum asked by him, I think, was 50,000 *l.* or 60,000 *l.*, the building having cost, I believe, nearly that amount, but he gradually came down. For a long time he held out for 36,000 *l.*, but eventually, after negotiating for some time, he consented to take 18,000 *l.*, but that was only on the condition that the money should be paid at once. There was a considerable saving on Vote 14 that year, and that saving was proposed to be taken to meet the expenditure upon the purchase of this building.

162. There

162. There was a difficulty in inserting in the Estimates an item of probable expenditure whilst you were dealing with a third party who would be influenced by what was stated in the Vote?—Yes.

163. And when you finally arrived at the price with him, it was too late to take the Vote that year?—Yes, it was a great deal too late to take a Vote that year.

164. And it was necessary to close the transaction before you could get a Vote in the subsequent year?—Yes, immediate payment was a condition.

165. It fell between the Vote in the one year and the Vote in the next?—Yes.

166. *Chairman.*] Are you of opinion that a great advantage resulted to the public service from that transaction being closed at once; to use a proverbial expression, from striking while the iron was hot?—I am.

167. Mr. *Liddell.*] I presume application was made to the Treasury, and authority received for that use of the saving on another Vote?—Yes.

168. Mr. *Ayrton.*] With reference to building in Nova Scotia, which we find referred to at page 143 of the Army Savings and Deficiencies, can you explain how that expenditure occurred?—It was chiefly in consequence of the hospital having been burnt down at Halifax, which necessitated some barrack accommodation, which had hitherto been available, being taken for the sick. The General then kept the troops under canvas, but as the winter was approaching, it became necessary in that climate either to provide some better accommodation than canvas for them, or else to send them to Prince Edward's Island. For some time the General had been led to believe that the Nova Scotia Government would have provided barracks at the colonial expense, in order to keep the detachment which had been withdrawn from Prince Edward's Island at Halifax; and indeed Sir Fenwick Williams had promised to induce the Colonial Government to do so, but while that transaction was being negotiated, the Province passed into the New Dominion of Canada, and it became impossible to obtain a grant of money then to build the barracks. It would have cost 1,200 *l.* to have sent the detachment away, and that sum would go far towards building the barracks. It was very desirable also that the troops should be kept employed upon the large works of fortification which were going on there, and a great deal of time would have been lost that autumn and the following spring, before the men could have been brought back from Prince Edward's Island, if they had been sent there for the winter. Under these circumstances the Secretary of State gave his consent to the barrack being erected.

169. The consent had to be given during the recess?—Yes.

170. That sum could not have been included in the previous Vote?—No, it was after Parliament had risen that the question arose.

171. You will observe also that in Vote 14 there is an item of 4,500 *l.* for savings, "arising from the abandonment or postponement of certain works"?—Yes.

172. Can you furnish the Committee with a statement of any of the principal works on which those savings have been effected?—There was an amount of 1,095 *l.* saving on an item for connecting the drainage of the barracks at Portsmouth with the New Town drainage. That work could not be carried out because the New Town drainage was not far enough advanced to receive our drainage.

173. That is only a service deferred?—Yes.

174. Is all this saving the result of services deferred, or, if not, to what extent is it so?—On Part I. there is 1,791 *l.* for services deferred.

175. Is there any saving on Part I. resulting from an actual economy in works executed?—None; the 1,791 *l.* is for services deferred at Home. Abroad there is also a saving of 2,221 *l.*, arising from foreign services deferred, and also a saving of 983 *l.* for services performed in the year, but not paid for in the year, Abroad.

176. That would be merely deferring the payment from one year to the other, the charge being actually incurred?—The work being actually done, but not in time to be paid for previous to the 31st of March.

177. Then with regard to Part II.?—The next saving is still under Part I. There is another heading, "Special Services;" that is the third heading. There is a saving there of 6,150 *l.* for services deferred to the next or subsequent years, and also a saving of 860 *l.* in services absolutely dispensed with for ever.

178. That is an actual saving?—Yes; making a total saving of 7,000 *l.*, of which 860 *l.* is an actual saving.

179. Is it your opinion that, with the exception of that last item, all the other services will have to be performed—No, I could not exactly say that. One of the principal of these services is "Married Soldiers' Quarters" at Ballincollig, in Ireland; there was a sum of 3,756 *l.* intended to be spent that year on married soldiers' quarters there, but the actual expenditure was only 526 *l.* The works were stopped because it became a question whether we should abandon Ballincollig barracks or not; and I do not believe that that question has ever been settled. There are some very large powder works near the barracks.

180. It remains in doubt whether that service will ever have to be performed or not?—Yes.

181. Will you proceed with Part II.?—Proceeding with Part II., there the savings are much more various; they are, generally speaking, trifling services, all under 1,000 *l.*

182. Are they services deferred or dispensed with, or what?—I have them under all heads. There are only 260 *l.* of services absolutely dispensed with for ever. There is a saving of 241 *l.* for services performed in the year, but not paid for within the year. There is a saving of 1,506 *l.* for services deferred to the next or subsequent years. There is a saving of 666 *l.* owing to a more economical expenditure on the actual work being performed; that is Part II. At Home only. Coming to Part II. Abroad, there is a saving of 2,289 *l.* on services absolutely dispensed with for ever; 986 *l.* on service performed in the year, but not paid for within the year; 350 *l.* on services deferred to next or subsequent years, and 265 *l.* by a more economical expenditure on the actual work; that is omitting the shillings and pence in each case. The total saving on Part II. Abroad, is 3,891 *l.*, as you will see in the last column but one of the accounts: then Part III. At Home, there is a saving of 165 *l.* on services absolutely dispensed with for ever; 2,860 *l.* on

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services performed in the year, but not paid for within the year; 533 *l.* on services deferred to next or subsequent years, and 2,234 *l.* by a more economical expenditure in the actual work, making a total saving of 5,793 *l.* at Home.

183. And Abroad?—On Part III. Abroad, there is a saving of 944 *l.* on services absolutely dispensed with for ever; 2,319 *l.* on services performed in the year, but not paid for within the year; 1,291 *l.* on services deferred to next or subsequent years, and 218 *l.* by a more economical expenditure on the actual work, making a total saving of 4,773 *l.*

184. *Chairman.*] If I understand you rightly, a very small proportion of the savings effected under this Vote arises from more economical expenditure; by far the greater part arises from either leaving the works altogether undone, or deferring the completion of them, or deferring the payment for them?—The statement that I have given is simply a balance; it is not nearly the whole of the expenditure that is saved by more economical expenditure on the actual work. I can make it plain in this way to the Committee. If a saving is effected by a more economical expenditure on the actual work, it almost invariably occurs that the sum so saved is immediately swallowed up by some urgent service at the station, because when it is reported to me that a building is tumbling down, or that something wants immediate repair, I hardly ever authorise it unless the commanding engineer at the station can point to an actual saving at the station, by which he proposes to cover that extra expense. Therefore this is only a balance. I have not gone into every item on which a saving is shown. This is the balance, and this represents the saving on the whole; each item does not appear separately.

185. Mr. *Ayrton.*] But with regard to the other savings, are these merely balances after deducting certain expenditures?—All those are composed of different items at the station, and only the total saving at the station is given, after executing those services which I have referred to.

186. After executing other services which were unforeseen?—Yes. On Part II. and Part III., which relate chiefly to maintenance of buildings, we have always considered that if we can save money on one work, it goes to repair another building where it is much wanted.

187. *Chairman.*] They are always services much of the same nature?—Yes; maintenance and repairs.

188. Mr. *Ayrton.*] On these Votes for works, is not there, from year to year, a very considerable sum called a Saving, which is merely money resulting from deferred payment or deferred service?—There is, particularly at the foreign stations. We find it almost impossible to carry out the works contemplated within the year, and pay for them within the year, at the foreign stations.

189. Do you think that a distinction ought to be maintained between a real saving resulting from economical expenditure, and a nominal saving resulting from the withholding of expenditure?—No; I do not think so with regard to works. I do not think that there should be any such distinction made.

190. But do you not get the money voted twice over, when it is voted one year and you do not spend it on what it is voted for, but spend it on some other purpose, and then have it voted again for the same service in the next year?—Yes, we do sometimes; I suppose, in that sort of way, we do get more money.

191. Then, as far as Parliament is concerned, it votes the money twice over; if the money it votes in the first year for a particular service is, in fact, spent by the department in another service, and then it votes the money again for precisely the same service as before, and it is spent in that service, has not Parliament voted the money twice over?—Yes, it has; but we do not spend the first Vote; it is very rarely that we do spend it.

192. If it is voted for one service and spent on another service, and has afterwards to be voted again for the first service, Parliament has voted the money for a particular service twice over, has not it?—Yes; but that is never done at all without the consent of the Treasury.

193. Does not it constantly happen that the money is voted for a service in one year, and that that service is not performed, but the money is spent on another object, and that precisely the same sum is voted again next year for the same service?—No, I think not in a large work; no new work is undertaken to which the sanction of Parliament has not been given.

194. Are not large sums voted on account of large works, and is not the expenditure within the year deferred either by delaying the works or by delaying the payments; and is not the money again re-voted in very large amounts?—Yes; but the money so obtained is never applied to commence a new large work; it may be applied to carry on another work sometimes. You find occasionally that a contractor fails on one work under progress, and you cannot spend the money upon that work, but upon another large work to which Parliament has given its sanction, but only voted a certain amount; the contractor is very anxious to go on, therefore you push on the latter work.

195. You mean that, as a matter of conscience, the department would not spend the money upon a new work which had never received the sanction of Parliament, if it were a work of considerable magnitude?—I do.

196. But it would in the case of small works?—Yes; in the case of works such as are described in Parts II and III. of this Paper, on Maintenance and Repairs.

197. And if it was not spent on works it might be spent on anything within the limits of the army service, the service for which it was voted being deferred?—Yes, I suppose so; I think the Accountant General would say that it might be done, but it must be at the end of the year and not during the year.

198. Still, if the money was so applied, Parliament would, in fact, be voting the money twice over for that particular service, would it not?—Yes. There generally is a remark made, when any money is voted a second time, that it is a re-vote; there is a note to show how much of the money asked for has been voted before.

199. Have you made out all your Army Votes for works upon the footing on which the Miscellaneous Votes are now laid before Parliament, showing the whole of the Votes and the expenditure from the beginning for each particular work?—Yes.

200. Have you seen the way in which the Miscellaneous Estimates for Works are laid before Parliament for the present year?—No, I have not.

201. *Chairman.*]

201. *Chairman.*] With respect to the last question; is not a very considerable portion of the money which has been at the disposal of the Army Department arising from the postponement of certain works, and also the postponement of paying for certain works; does not that apply to the erection of the barrack in Nova Scotia, and the purchase of the building called the Camerata in Malta?—Yes.

202. And yet all those works which have been left incomplete, or unpaid for, will have to be paid for in this current year, will they not?—Yes.

203. Then, in that case, the sums necessary for the performance of these works will have been voted twice over?—Yes, for the original works.

204. And the money voted the first time will have been applied to purposes not contemplated by Parliament?—No; the married soldiers' quarters had been sanctioned by Parliament, but there had been only a Vote on account for them.

205. The purchase of the building called the Camerata is a service not contemplated by Parliament, and also the erection of the barracks in Nova Scotia?—It was intended to provide married soldiers' quarters in Malta, and Parliament gave its consent to the principle, but it only voted a certain sum on account.

206. Nevertheless, a sum of money voted by Parliament was applied to another work for which the money was not specifically voted by Parliament, and the money will have to be voted again in a subsequent year for the service which was approved of by Parliament?—Yes, that is so, with the exception that a sum had been voted for married soldier's quarters, and that the sum from the other Vote only went to supplement it.

207. So that, in the long run, it comes to what the Secretary to the Treasury said, that the money for some works would be voted twice over, and other works would have been done without any money having been voted for them at all?—Yes, that is so in some degree.

208. Mr. *Ayrton.*] Within what limit can you effect a saving and expend that saving on a work which has not been included in the Estimates, without the sanction of the Treasury?—Within the limit of 200 *l.*

209. Do you know whether it has ever been the practice in your Department to defer payments at the close of the financial year, in order to create a saving to cover expenditure within the financial year?—No, we never do it. Our officers are all ordered to pass their bills in in time to be paid during the financial year, if they possibly can. The payment does not rest with us.

210. But supposing you have a contract and monies are payable under that contract, have you ever known the payments to the contractors deferred over the 31st March, so as to fall within the next year; or rather, have the certificates ever been kept back over the 31st of March, so that the payments will fall within the next year?—I do not know of any case in which it has ever been done, if the money was due; that is to say, if the certificates were due.

211. Are there not cases where there would be a deficiency if the payments were made on or before the 31st of March, and the payments have been by arrangement deferred until after the 31st of March, so as to avoid that deficiency?—I think such a case might arise; I do not know of any specific instance of it at the present moment. We always arrange our contracts so that the contractor shall know how much he is to receive in the year. If we enter into a contract which is spread over more than one year, we insert in the specification a proviso that a certain sum only shall be spent in that year.

212. But is there any specific rule in your department which compels every person to send in his bill, so that the service of the year shall be paid for within the year?—There is that rule.

213. What is the limit of time?—The 25th of March.

214. Everyone has to send in his bill for every service made up to the 25th of March?—All bills are to be sent in by the 25th of March. They should reach the chief auditor by the 25th of March at the latest.

215. For services performed in what time?—For services performed, as nearly as possible, up to that date.

216. So that the bills paid in the year cover the work done up to the 25th of March?—Yes, as closely as the work can be measured up, except in the case of trifling repairs to the barracks; we close them on the 31st of December.

217. You do not think that anyone has ever been asked, or that any steps have ever been taken, to postpone any payments until after the 31st of March within your recollection?—I have never known such a thing done.

218. *Chairman.*] Do you believe that the practice is very rigidly carried out now, of enforcing all the bills to be sent in by the 31st of March?—We endeavour to carry it out as far as possible. It is not done to the extent that I think we might in future years cause it to be done. At foreign stations it is very difficult to arrange it.

219. Do you think that there would be less anxiety to enforce that practice very rigidly, supposing there had been an excess on some sub-votes, which it was desirable to meet by an apparent saving upon the other sub-votes?—It is no object of ours. Our object is, if possible, to get all the bills paid within the year. Our object is to spend the money voted by Parliament in the year within which it has been voted, because it is very unpleasant for us to have to ask for money to be re-voted. It apparently swells the Estimates when they might have been less, if the money had not required to be voted a second time.

220. Which are you most desirous to avoid, swelling the Estimates for a certain year, or going beyond the Estimates of the previous year?—I am desirous to avoid both equally.

221. When it is a choice between the two evils, which would you say is the greater evil of the two; swelling the Estimate in one year, or having an excess on the previous year?—I think, perhaps, the excess would be the worse of the two; but I have never known it necessary to do anything of the kind; such a thing has never been done in our Vote for Works. It has never been done by orders from the War Office, I mean; that I am perfectly positive of. If a commanding engineer ever did such a thing to avoid making a payment to prevent an excess, which I do not believe he ever did, it was certainly without orders from the War Office, and without the knowledge of the War Office; indeed, I do not quite see how he could do it. I do not think the contractor would submit to it; it would involve a considerable delay in the payment. It is a very long time before you can get money after the 31st of March; it is sometimes two or three months before Parliament passes the Votes.

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222. Mr. *Seely.*] Who makes out the estimate for work to be done?—The commanding engineers at the various stations.

223. As a matter of course, they are anxious that their estimates shall fully cover the expenditure?—They are responsible that they shall do so.

224. Generally speaking, are they within the estimate?—Yes, I think, as a general rule, they are. We never admit an excess without a very good cause being shown for it.

225. I am only going to ask you an opinion upon this point; is it your opinion that that desirability, or necessity almost, of keeping the expenditure within the estimate leads parties to give an estimate for a larger amount than otherwise would be the case?—No, I do not think it does; because all our Estimates are prepared in detail and are very carefully examined; at least most of them are. We are occasionally so pressed for very large works, that we have not time, in some cases, to make a detailed estimate for a very large work, such as a barrack, because a detailed estimate would require months and months to prepare and examine. If our Estimates are exceeded, it is owing to the fact that they are made in a great hurry, and made approximately, when we have not foreseen and weighed all that will require to be done. But it is very rarely indeed that a carefully prepared estimate is exceeded, unless there is very good cause for it, in consequence of something that could not be foreseen having arisen.

226. Then the estimates are made out by the local officers and submitted to you?—Yes; all the estimates for barracks are submitted to me, and all the estimates for fortifications to the Deputy Director of Works for Fortifications. They are all examined in our office before they are sent back to the stations to be executed.

227. What process is adopted in getting contracts?—Then the commanding engineer at the station advertises for tenders for any work that has to be put up to tender for a contract. The tenders are sent in to the Director of Contracts at the War Office, who opens them.

228. Then there are no parties put upon any special list who are invited to tender, and to whom the invitations to tender are confined?—Sometimes there are, but that is done in rare cases. If there are any peculiar circumstances connected with a work, the competition is sometimes limited to a certain number of firms; but that is not a general rule, it is an exception, and it is never done without the express permission of the Secretary of State. No commanding engineer is authorised to do it without having obtained the permission of the Secretary of State to do it in each case.

229. Where there is a special exemption from the general rule, is it in the case of tenders for large works or small ones?—I think it is very seldom that that rule is applied to small works.

230. It is generally in the case of large works?—Yes; generally large works.

231. Mr. *Liddell.*] As I understand it, taking the case of works going on abroad, the estimate for those works is framed by your engineer officer on the spot?—Yes.

232. And sent to you?—Yes.

233. From whom does the authority for the expenditure of the money necessary for the execution of those works proceed?—From me.

234. Are the vouchers likewise transmitted to you?—No.

235. Do they ever come to this country at all?—Yes, I believe they do.

236. To whom are they sent?—To the chief auditor, I think.

237. The departmental auditor has the power, I presume, of calling for those vouchers, and that authority, if he likes, for purposes of audit; is that so?—Abroad, I believe, the bills are paid by the military accountant, or by the Comptroller of Army Expenditure, and he transmits them home as the vouchers for his account.

238. Is there first of all an audit carried on in the colony, or in the place abroad where these works are going on?—Not that I am aware of.

239. Then the departmental auditor has, I presume, the power, if he is not satisfied in his own mind, of calling for these vouchers, and that authority given by yourself, has he not?—He does not get, as a rule, any authority from my department. The Comptroller of Army Expenditure abroad gets authority from his own department here to allow a certain expenditure upon works.

240. Does the departmental auditor at the War Office get the authority for the expenditure?—The departmental auditor at the War Office sees the authority for the works.

241. It passes through his department, does it?—As soon as I have issued the authority to the commanding engineer abroad to go on with the works, my authority at once passes in the War Office to the Audit Department for them to see it, and they authorise their officer out there to meet the payments in respect of it as they fall due.

242. Then there is a double check; there is the check of your department, and there is the additional check of its passing through the auditor's department?—Every authority that I give for expenditure goes, as it passes out of my hands, into either the audit or the account branch, and they note it at once.

243. And the auditor can call for explanations according as he may think fit?—Yes, if he thinks that I am exceeding my powers in any way, that I have not got the money, or that I ought not to have authorised the expenditure, he can point it out; I hope the Committee understand distinctly that the evidence I have given simply applies to barracks. Vote 14 is divided into two heads, "Fortifications," and "Barracks;" my explanation was only applicable to barracks, and my evidence altogether has simply related to barracks. There is another officer present who will give an explanation with regard to the savings on fortifications. I may also observe that when I said that I gave the authority for an expenditure, I simply meant that I gave the Secretary of State's authority; of course it is the Secretary of State's authority; I am acting for him.

Lieutenant Colonel ARTHUR LEAHY, R.E., called in; and Examined.

Lieut. Col. *A. Leahy*, R.E.

244. Mr. *Ayrton.*] WHAT office do you hold?—I am Acting Assistant Director of Works for Fortifications.

245. Will you be good enough to explain to the Committee how much of the saving on the Vote for Works and Fortifications arises from an actual

actual saving in works executed, and how much from works deferred or not paid for within the year?—I will first give the savings in respect of works absolutely dispensed with for ever. In Part I. 1,000 *l.* was taken for store accommodation in British Columbia; it was found that that service could be dispensed with for ever; there was therefore a saving of 1 000 *l.* under that head. I am referring now to the Fortification Vote. I do not know whether the Committee wish to go into the details of the savings at pages 110 to 136 of the Statement of Army Savings and Deficiencies.

246. We will take the large items only, if you please?—There were altogether works at Home stations to the amount of 14,124 *l.* deferred to the next or subsequent years; and Abroad, works estimated at 5,051 *l.* deferred to the next or subsequent years. There was a saving of 12,504 *l.* effected at Malta, by postponing for ever work which had been proposed under a project which became obsolete under new conditions of defence; that was the largest saving on the Vote. There was a sum of 9,225 *l.* deferred to subsequent years, in respect of the item for "adapting works to modern armaments," on account of the conditions of the armaments not being fully known. There were so many experiments going on during the year, that we were not able to give orders for the execution of the works. These were the large savings in Part I. of that year. In Parts II. and III., there were numerous savings effected by postponing the execution of works which had been proposed by the different local officers, especially at foreign stations, and for improvements of the various batteries. On going into the details of these, we were not able to give final instructions during the year as to the best mode of meeting the requirements of the armaments; this caused a considerable saving, viz., 3,781 *l.* in the small services under 1,000 *l.* in Part II. A *bonâ fide* saving was effected on works for maintenance to the extent of 7,888 *l.* When estimates come from foreign or home stations, with a statement that certain works are necessary for maintenance, if we can execute them in a more economical way it is our practice to do so; and sometimes we find it possible, by the employment of military labour, and in other ways, to effect savings upon the works of maintenance. In other cases a saving is effected by postponing a repair, when the existing work will last a year or two longer. For instance, if a roof or a road is represented by the officers at the station as requiring repair, and we find that it will last a year or so longer, we sometimes postpone it to meet a more urgent service that arises during the year.

247. *Chairman.*] I suppose, generally, when you postpone it in order to meet a more urgent service that arises during the year, it is a work of the same nature to which you apply the money?—Yes; we are not always able to estimate accurately the works of maintenance. A considerable sum under the head of Fortifications is expended every year on coast lines and the groins or sea walls in front of the forts. We are obliged to take a round sum to cover those works; in some years they are more costly than in others; the expenditure cannot be foreseen; these are maintenance services on which we have the largest unforeseen expenditure.

248. Mr. *Ayrton.*] Have you been accustomed to defer payments for services performed within the year until the next year?—It is not the custom to do it; on the contrary, we generally try to spend to the full amount.

249. Have occasions arisen when it has been done?—Occasions have arisen in this way: the total estimate for the work is that by which we are guided. We are empowered to enter into a contract for the total estimates of the work, and we regulate our contracts so that the progress of the work shall be in accordance with the annual Vote of Parliament; as a rule, it falls short of the Vote, but in some few cases a contractor goes quicker than was anticipated. Cases may arise, and possibly have arisen, in which we have had two contracts for different works, with one of which the contractor may have gone on too slowly, and with the other the contractor may have gone on more quickly than the contract prescribed; in that case we would try to balance the expenditure for the year so as to spend as nearly as possible the total amount that Parliament voted.

250. That is to say, if you had to pay more than you expected to one contractor you might defer the payment to the other contractor, in order to cover it?—No; as a rule, contractors do not work up to the Votes taken for their contracts, and that especially happens when the Estimates are late in passing through Parliament. If we do not get authority to incur expenditure on a work till May or June, our expenditure for this financial year naturally falls short of the amount proposed, and cases have occurred when we have not got the sanction of Parliament to Vote 14 till May or June; steps are then taken to get the contracts, but it is very late. If we find that an excess will occur on one of the annual Votes, we may obtain sanction for it, taking care to keep within the total estimate for the work, because that is the authority for our contract.

251. Have you accounted for all the assumed savings in the savings you have stated?—I think I have done so. I gave a saving of 1,000 *l.* on works dispensed with in British Columbia; 12,504 *l.* on works at Malta; that accounts for 13,504 *l.* There were altogether works in Part I. to the amount of 19,175 *l.* deferred to the following year. There was a saving of 9,255 *l.* on the item for "adapting works for modern armaments," and the rest is made up of savings in Parts II. and III.

252. *Chairman.*] Have you ever allowed a contractor to delay his work, in order to be in funds for the purpose of paying another contractor who had done his work quicker than you expected?—I have never known an authority from the War Office to direct that to be done.

253. Mr. *Ayrton.*] Are the savings in the works ever applied to new works, or to works which have not been sanctioned by Parliament?—In the year to which this account refers, the only works not sanctioned by Parliament, I think, which come under the head of the Fortifications and Military Store Buildings Vote, are those applicable to war services in New Zealand and Abyssinia. Those are the only large services; of course there are small services in the year.

254. But no new works in that year were undertaken without the sanction of Parliament?—No large work in that year was undertaken without the sanction of Parliament.

255. *Chairman.*] If any work was entirely abandoned, should you think it fair to apply the money which had been voted for that work to some other work not contemplated by Parliament?—

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ment?—Of course that can only be done under Treasury sanction, and on making out a very strong case for doing so.

256. Would you never think of applying for the permission of the Treasury to deviate from the intentions of Parliament in that way without the most urgent necessity?—I have never known it done.

257. Mr. *Seely.*] When a proposed work is abandoned, who orders the abandonment of it?—The abandonment is approved by the Secretary of State, or under his authority.

Mr. Henry W. S. Whiffin, called in; and Examined.

Mr. *H. W. S. Whiffin.*

258. *Chairman.*] What office do you hold?—Chief Auditor of Army Accounts.

259. Mr. *Ayrton.*] Is that an office under the Audit Department, or in the War Department itself?—In the Department of the Secretary of State for War.

260. Mr. *Liddell.*] In the document signed by Sir Henry Storks, which purports to be the Instructions issued to your Department, "a close examination of public expenditure as regards vouchers and authorities" is described as the first principle upon which you are to act; will you be kind enough to tell me what steps you take to carry out that instruction, first with regard to works carried on abroad?—I may observe, with reference to these Instructions, that they have not been officially promulgated. They have not been issued to me as Instructions.

261. It is a Parliamentary Paper laid before us?—It is a Parliamentary Paper, I believe, referred to this Committee, but, as far as I am concerned, these Instructions have not been issued to me officially in any way.

262. Mr. *Ayrton.*] This was a Paper that was issued by General Balfour, was it not?—It was submitted by Sir Henry Storks to the Secretary of State.

263. But it was prepared by General Balfour?—Yes, it was prepared by General Balfour.

264. Mr. *Liddell.*] Do you call for vouchers and authority if you think it necessary for the purposes of your audit?—We require vouchers for all expenditure that is incurred by military accountants or paymasters on account of army service, and I satisfy myself that the expenditure has been incurred under the regulations of the department. If I am not satisfied with the explanation given by the head of the department, then a reference has to be made to the Secretary of State, but, as a rule, no expenditure whatever, either of cash or stores, is passed by me, unless under the authority and the regulations of the department.

265. Do you call for the actual vouchers?—The actual vouchers are supplied or furnished by the accountant with his accounts, as a discharge for the expenditure of money which has been imprested to him. For example, with reference to works at Malta, the contractor's claim is sent in to the commanding engineer at the station, and when he is satisfied of the correctness of it, both as regards the work which has been executed, and the rates of the contract, he passes it to the Comptroller of Army Expenditure at the station, who, on that voucher, gives the authority to the Military Accountant or Paymaster to pay the amount to the contractor, and that voucher is furnished by the Military Accountant to the Chief Auditor, in discharge of the sum that he has disbursed.

266. Mr. *Ayrton.*] When you say the Chief Auditor, you mean the Examiner within the department?—The former is the designation that has been given to the office which I hold; the Examiners are employed under my directions.

Friday, 11*th June* 1869.

MEMBERS PRESENT:

Mr. Ayrton.
Lord Frederick Cavendish.
Mr. Algernon Egerton.
Mr. Liddell.
Mr. Pollard-Urquhart.
Mr. Sclater-Booth.
Mr. Seely.

WILLIAM POLLARD-URQUHART, Esq., in the Chair.

Mr. James Beeby, called in; and Examined.

Mr. *J. Beeby.* 11 June 1869.

267. *Chairman.*] What office do you hold?—I am the Accountant General of the Navy.

268. Mr. *Ayrton.*] Will you be good enough to direct your attention to the Appropriation Account for 1867–68, and the Statement of the Savings and Deficiencies upon the Grants for Navy Services in the year ending 31st March 1868, which have been laid upon the Table, and afford explanations to the Committee upon several points, the first being the manner in which the account has been presented to Parliament, blending the whole charge under the Votes in Supply with the expense for the Abyssinian Expedition under the general Grant on that account; the account was made up in that manner by direction of the Treasury, I think?—It was.

269. Can you give to the Committee an account which will show the expenditure on account of the Votes in Supply, entirely separate and distinct from the expenditure for the Abyssinian Expedition, chargeable to the general Vote, on account of that expedition?—I can; I have brought such an account with me, which I will hand in to the Committee. (*The same was handed in*, vide *Appendix.*)

270. You will observe that, in the Appropriation Account, at page 3, you do not write off for the Abyssinian Expedition the exact amount which you say was spent in respect of the Abyssinian Expedition; there is a slight difference?—There is a slight difference, amounting to 1,634 *l.* 7 *s.* 4 *d.*

271. Will you explain how that difference arises?—It arises from expenditure on account of the Abyssinian Expedition on such Votes as could be met out of the surplus on the ordinary Navy Grants.

272. That is to say, on some of the separate Votes for that year there was a slight saving?—Yes; there was.

273. And there was an expenditure on account of the Abyssinian Expedition which would have been chargeable to those Votes as being of the same nature, if there had not been an additional Grant for Abyssinia?—Yes.

274. And therefore you applied the savings upon those particular votes to the Abyssinian expenditure which might be chargeable upon those particular Votes?—We did.

275. So that though, on the whole, the expenditure was in excess of the Votes, nevertheless the savings on these particular Votes were apparently applied to the Abyssinian Expedition?—Yes; on those Votes on which there was a saving; the account which I have handed in will explain the difference, amounting to 1,634 *l.* 7 *s.* 4 *d.*

276. Mr. *Liddell.*] I should like to know whether a state of war being an extraordinary state of things, it is absolutely legal to apply savings arising out of ordinary voted Services to meet excesses arising out of that extraordinary expenditure?—That is a question for the decision of the Treasury; we have been governed in what we have done by Treasury directions. They determined that principle some years ago, when a Vote was taken for the China war; this practice is of long standing.

277. Is there any precedent for it?—Yes; so far back as the China war, when there was a Grant, I think, for that war.

278. *Chairman.*] Which China war?—I think the first.

279. By the first, you mean the war in the year 1842?—Yes.

280. Mr. *Ayrton.*] Do you think that it would be a more accurate method of keeping the account if the whole savings and excesses on the ordinary expenditure were taken together, and then only the balance dealt with in relation to the extraordinary expenditure for a foreign war, instead of blending them, as appears to have been done in these accounts?—Yes, I think it would.

281. But the practice of applying the savings on the ordinary service in aid of a general Grant for a war has always been adopted, I believe, both for the army and for the navy in military operations, where a general Grant is made for the carrying out of a war?—That has been the practice for many years.

282. Will you kindly turn to page 5 of the Savings and Deficiencies Account: you will observe that it is stated that an excess of 15,976 *l.* was caused, amongst other things, by an Order in Council giving an additional pay of a penny a day to unlimited service men; are you aware of the authority for making an Order in Council to increase the pay of the Marines?—Only the Treasury authority.

283. You will observe that it is stated to have been

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been done, not by an Order of the Treasury, but by an Order in Council; and if you will look to the letter of Lord Henry Lennox to the Secretary of the Treasury, the letter marked B, you will find that the Act of 30 & 31 Vict. c. 34, is referred to as bearing upon it?—Yes, but no Order in Council is obtained without the previous sanction of the Treasury.

284. Then the authority really rests upon the sanction of the Treasury?—Yes, upon the sanction of the Treasury and the Order in Council.

285. But that is not under any particular Act of Parliament?—Only the Act for granting this additional pay to the army; the Marines are always considered as ranking with the army, and entitled to the same advantages.

286. But they are under a separate Mutiny Act, are they not; there is a separate Act for the establishment of the Marines?—Yes.

287. You cannot give any further information upon that point than appears in these Papers?—No; I spoke to the Assistant Adjutant General upon that point; and he is at present in the room.

Colonel JOHN W. C. WILLIAMS, R.M., called in; and Examined.

Colonel *J. W. C. Williams,* R.M.

288. *Chairman.*] WHAT office do you hold?—I am the Assistant Adjutant General of the Royal Marines.

289. Can you give the Committee any information as to the practice or authority for issuing this Order in Council, adding a penny a day to the pay of the Marines?—The practice always is to follow the precedents established for the army, and although I cannot quote the Act of Parliament, I am satisfied in my own mind that there is law for that. It has been customary always to prepare and submit for the approval of the Treasury any alteration in the rate of pay which has been proposed for the army, also for the Royal Marines.

290. Mr. *Ayrton.*] The question upon which the Committee would be glad if you could satisfy them is, whether there is any precedent for issuing a Royal Warrant increasing the pay of the Marines without the matter having been submitted previously to a Vote of the House of Commons, so as to get a supply to make good the increase granted by the warrant?—I think I could produce one; I have not one with me at the present time.

291. Will you endeavour to refer the Committee to any statutory authority that would regulate this matter, as well as to any precedents for what has been done in this case?—I will, if time be allowed.

292. Have you a copy of the Order in Council?—I have copies of two Orders in Council (*producing the same*). The first relates to the increase of pay, and the subsequent one to the pay being allowed at an earlier date. One is generally for the increase of pay, the other is allowing it at eight years instead of at twelve years, following the practice in the army entirely. (*The former of the two Orders in Council was handed in,* vide *Appendix.*)

293. *Chairman.*] Is the pay of Marines exactly the same as the pay of the soldiers in the army?—Exactly.

294. Then if an Act is passed increasing either the daily pay of the soldiers in the army, or increasing the bounty on enlistment, do you immediately conclude that that Act applies to the Marines also?—We instantly follow suit; the same rules are adopted for the Marines, but of late years, that is to say in my time, it has been done principally by Orders in Council,

295. When you talk of following suit, you surely cannot mean that you spend the public money without a Vote of Parliament?—I think any expenditure required in the interval between the early part of the year, when the Supplies are voted, and the commencement of the next financial year, would be provided for by an Order in Council; it is so in the case of the army.

296. And that has been the invariable method of following suit, to use your own expression?—I think so; of course I am not prepared with proof of what I say. There may have been an Act introduced, but I can remember that this has been the custom of the service for a great many years.

297. Lord *Frederick Cavendish.*] There was a Vote taken, I think, for this increased pay in the Army Estimates of 1867–68; why was no similar Vote taken for the navy?—I think there was a Supplementary Estimate for that purpose.

298. In the Army Estimates?—Yes, and I think in the Marine Estimates; but I think the pay was issued before the Supplementary Estimate was granted.

299. (To Mr. *Beeby.*) If there had been a Supplementary Estimate, then, there would not have been this excess, would there?—There was a Supplementary Estimate; in the Appropriation Account, after the amount granted for naval services, you will see "To amount granted on Supplementary Estimate for the years 1867–68, to defray the charge for the increased pay to non-commissioned officers and privates of Royal Marines serving afloat"; and "For ditto serving on shore."

300. Mr. *Ayrton* (to Colonel *Williams*).] We understand that a Vote of the House was taken in support or in affirmance of the Order in Council?—Yes.

301. (To Mr. *Beeby.*) How did it happen, then, that when an express Vote was taken to cover this extra penny, there should still be an excess on that account?—This was an additional penny allowed to soldiers who re-enlisted "on completing two-thirds of their first period of service"; I think it was granted in the army after the Vote for the year was taken. This was an additional boon to the army, and then it was applied to the Marine Corps. I do not think this was provided for in the 50,000 *l.* taken by the Supplementary Estimate. (Colonel *Williams.*) The date of that Order in Council would be the date when the additional penny would have been granted, but the supplies for the year were then granted.

302. Then it would be more correct to say that the first additional penny was covered by the Votes taken in Supply, and that after that, a further boon of a penny was given in certain cases?—No; they were paid from the date of the Order in Council; that is what I infer, and what I wish to convey; but the Supplies for the year having been then voted there was no provision made

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made in the Estimates for that additional sum, and that sum had therefore to be voted subsequently, and was voted subsequently; but it was paid before the Vote for it passed the House.

303. (To Mr. *Beeby*.) Will you be good enough to turn to page 7 of the Savings and Deficiencies Account; there is an obscure statement here, that a sum of 25,486 *l.* was an excess in consequence of "the men having eaten more and saved less of their provisions than heretofore;" will you be good enough to explain what is the meaning of that entry in connection with a further entry of a surplus of 20,593 *l.* 11 *s.* 5 *d.* immediately following? —The circumstance of the men having eaten more provisions than was calculated for has caused an excess upon the item for provisions purchased, and that has had the effect of reducing the amount to be paid under the head of Savings.

304. What are those savings?—The savings are a money allowance in lieu of provisions.

305. So that the one counterbalances the other? —Yes; that explanation in the margin must be taken in conjunction with the saving on the next item for provisions, that is "savings (payments for provisions not taken up)."

306. Mr. *Liddell.*] Supposing the men do not eat their provisions, they are paid a money-allowance; are they paid precisely the cost price of those provisions, and nothing more, because it would appear from this as if they were paid something in excess of the cost price; they saved less and ate more of their rations, and a saving arises of no less a sum than 20,593 *l.* under that heading of the Vote?—They are paid a little less than the cost price.

307. Mr. *Ayrton.*] The difference between 20,593 *l.* and 25,486 *l.* would represent, I presume, the difference between the cost of the provisions and the payment to the navy when the men do not eat them, but take them in specie?—It would.

308. Will you give me a little more in detail the causes of the excess of 12,479 *l.* which are stated to be from the extension of mess utensils to warrant officers," and other matters; it relates to various things of an entirely different character, I think?—I have a statement referring to it: mess utensils 2,000 *l.*, implements for service afloat, such as weighing machines, weights, measures, coopers' and tinsmiths' tools, lanterns, &c., 2,000 *l.*; fuel, 2,000 *l.*; Colomb's signals (which are mentioned here), 1,500 *l.*, and miscellaneous stores, including packing-cases, tools, instruments of every description required for use in the victualling depôts at home and abroad, 4,879 *l.*: making a total of 12,479 *l.*, which is the excess shown in the Savings and Deficiencies Account.

309. *Chairman.*] On the same page, about the middle of the page, you will see "Excess: 2,000*l.* of this excess arises from more men having been employed in the Coast Guard on shore than were provided for in the Estimates;" was any Treasury authority obtained for the employment of more men in that way?—This again, is like the Marines; the Coast Guard are partly afloat and partly on shore. This is an excess of those borne on ship books, who are employed on shore, but it is counterbalanced by the diminished number of civilians. The men on shore are taken under Vote No. 4. We are gradually getting rid of the "civilians," as they are called under Vote No. 4, and replacing them by men borne on the Fleet List. Therefore there will be an excess at times, but it will be counterbalanced by the saving on the other Vote.

310. Mr. *Ayrton.*] It does not mean an excess upon the total number?—No.

311. Mr. *Liddell.*] When you audit the Departmental Accounts in your department, I suppose it is competent for you to call for the contracts under which provisions are furnished, is it not?—It is.

312. Are you in the habit of doing so?—Invariably.

313. I ask the question because I find that you have the large excess of 97,053 *l.* 17 *s.* 1 *d.* arising on Vote 2 for "victuals and clothing for seamen and marines;" and it is stated that this arises from "higher prices than those upon which the Estimates were framed having been paid for provisions"; I presume the Estimate was framed upon existing contracts?—It was.

314. And it is your habit to call for the contract in order to check the amounts?—Yes, to check the rates.

315. Mr. *Ayrton.*] The departmental inquiry goes into these very things; the quantities, the prices contracted for, and the delivery?—Yes, quite so.

316. Mr. *Liddell.*] The audit subsequently conducted by the Comptroller and Auditor General does not extend to these details, does it?—It does not; it is what is called an appropriation audit only as regards the Navy Account.

317. Mr. *Ayrton.*] You will observe at page 9, that on the "seamen's clothing, soap, and tobacco," there is an excess of 17,335 *l.* 9 *s.* 3 *d.* from "a greater proportion than usual of the quantities contracted to be delivered during the year 1866-67 having come in course of payment during the year 1867-68;" can you give any further explanation of that?—This is a matter relating to the Comptroller of Victualling, and therefore I will read his observations upon it, if you will permit me to do so. "This charge was paid in the year 1867-68; no special provision was made for it in that year, inasmuch as at the time the Estimate was framed, December 1866, it could not have been known that the contractors would fail to make their deliveries prior to the 31st March 1867." A period elapses between the time when the Estimates are framed and the end of the financial year, the circumstances of which cannot be foreseen.

318. *Chairman.*] Of course they cannot be foreseen exactly; but do you not think, as a practice, it is better to have the quantity contracted for in any one year paid for in the course of that year? —Undoubtedly it is better as a general rule, but you cannot always get the supplies from the contractors in time for that.

319. Mr. *Ayrton.*] Can you explain to the Committee how the staff of the Admiralty came to be increased in 1867-68, when it is found that the business can be conducted with a diminution of the staff now? — The circumstances are different now from what they were in the year 1867-68; under the existing circumstances at that time, the increase which was granted was necessary according to the mode in which the business was then conducted and the arrangement of the department. Since the present First Lord has come into office, he has made very great changes in the mode of conducting the business, more especially by the removal of portions of the business to the vicinity of White-

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hall, which has enabled him, in another direction from which is here stated, to effect reductions; those reductions have not been in these particular instances which are stated here, but in other instances.

320. Mr. *Sclater-Booth.*] Is it the fact that the chief clerk and second-class clerk here alluded to are still in the Admiralty-office?—Yes; they are still required for the work for which they were appointed because the work exists; and the work transferred from the Audit Board exists still, and we find that we require all that was asked for; therefore the reductions now being effected are effected in another manner.

321. Mr. *Liddell.*] Is it fair to assume that any additional clerical force was rendered necessary in the particular year with which we are dealing, owing to increased work called for by a Select Committee of this House, which happened to sit during that Session?—No.

322. It had nothing to do with it?—No; this work was of a permanent character.

Admiral Sir R. Spencer Robinson, called in; and Examined.

Admiral Sir *R. Spencer Robinson.*

323. *Chairman.*] What office do you hold?—I am Comptroller of the Navy.

324. Lord *Frederick Cavendish.*] On page 14, it is stated, that an abatement of 27,997 *l.* was anticipated from the item "wages to artificers on account of labour at the several dockyards at home, in making and repairing yard machinery, provided for under Vote No. 11:" it is not stated whether any such abatement was received, and, if so, what was its amount?—The money is taken in the Wages Vote of the Dockyards for the repair of the machinery and plant in the dockyards, and whatever excess upon the 27,997 *l.*, or whatever amount less than 27,997 *l.*, was spent will appear in the various items in Vote 11, as you will see if you turn to that Vote, and look at the Repairs of Machinery; but this whole sum of 27,997 *l.* was not spent, although the whole abatement was made.

325. Would it not make this account clearer if it stated what sum was spent in respect of this item under Vote 11?—That I have nothing to do with; I can only say how the money was spent. The repairing of machinery and plant in the dockyards is my duty, and I can say that 24,000 *l.* was spent for the repairs of machinery and plant in the dockyards, or nearly 4,000 *l.* less than the Estimate, 27,997 *l.* If you added up all the items in Vote 11 relating to the repairs of plant, &c., you would find that it would balance that sum; that would be 24,000 *l.* odd.

326. Would it not make the account clearer if it were made out so as to show that the 23,000 *l.* was received in aid of this item?—The Accountant General will speak to the making up of the accounts; you will see in Vote 11, "Reduced by the following surplus repairs to plant and machinery," so much; that is the abatement which has been made from the Dockyard Vote; in each page you will find similar items entered; I do not know whether they were added together or not, "Reduced by the following excess," and so on. (Mr. *Beeby.*) These abatements are shown under Vote 11.

327. Mr. *Liddell.*] It states, in a note, that "owing chiefly to an excess of expenditure on ships abroad, which could not be known until the close of the accounts for the year 1867–68, this anticipated saving on Vote 10, section 2, which was appropriated, with the Treasury sanction, to cover the excess "did not arise;" is there any check practically over expenditure on ships abroad?—In the year to which these accounts refer there was no check whatever, but now, since we have rearranged the Admiralty, the thing is under the control of the Admiralty; at that time there was no control whatever, so far as I knew.

328. Then do I understand that authority must be asked for and obtained from you now for all expenditure incurred in the repair of ships abroad?—Not absolutely for all, but for all important sums; the attention of the commanding officers abroad has been called to the way in which that Vote has been exceeded, especially in the very year to which you refer, and measures have been taken which will enable the Admiralty to keep that expenditure under reasonable control. It is, of course, quite possible that if a ship got very seriously damaged, the average expenditure of the year might be rather increased by it, but that would be within a limited amount; but now all large expenditures of any kind are sent home for the Admiralty's approval before they are authorised; it was not so in the year to which your question refers.

329–31. Lord *Frederick Cavendish.*] To return to this item of "wages to artificers"; the deficiency did not amount in reality to 47,655 *l.*, but to some less sum?—The deficiency on dockyard wages amounted to 47,655 *l.*; but the mode of showing the deficiency in detail is wrong. The expenditure of wages, under Vote 6, Home Yards, was 1,084,293 *l.* The sum voted for Wages, under Vote 6, was 1,036,638 *l.*; deficiency, 47,655 *l.* But on the sum of 27,997 *l.*, chargeable to Vote 11, and accounted for in that Vote, there was no deficiency, but a small saving.

332. *Chairman* (to Mr. *Beeby*).] I see that the application of a sum of 40,000 *l.* has been sanctioned to meet a deficiency on Vote 6, from an anticipated surplus under Vote 10; can you tell me whether it is a usual thing for the Treasury to sanction the application of an anticipated surplus on one Vote to other works provided for in another Vote?—Yes, that is the province of the Treasury; they may, upon a representation from a department, sanction temporarily the appropriation of a surplus upon one Vote for an excess upon another Vote, that temporary appropriation being subject to the approval of Parliament afterwards; all these appropriations are afterwards brought before Parliament in the course of the following Session.

333. Is it usual for the Treasury to sanction such an appropriation before it is clearly shown that any such surplus does exist; in this case no such surplus was found to exist?—Yes, it is usual; those are the cases in which the Treasury sanction is sought.

334. Mr. *Ayrton.*] In anticipation of a hoped-for surplus?—Yes; and this surplus would have arisen but for the unforeseen circumstance which has just been mentioned, of the very heavy repairs of ships abroad, amounting to 35,022 *l.* 12 *s.* 9 *d.* shown at page 25. Unusually heavy payments occurred

occurred in that year for the repair of ships abroad.

335. Mr. *Liddell.*] You have, in the department itself, the power of applying a surplus arising under an item of a Vote to meet a deficiency arising under another item of the same Vote, have you not?—We had; but recently the Treasury have issued instructions requiring us to apply to the Treasury for a sanction to exceed a subhead or an item of a Vote.

336. You had formerly that power?—Yes.

337. And that power is now withdrawn from you?—Yes.

338. Lord *Frederick Cavendish.*] When was it withdrawn?—Last year.

339. Mr. *Ayrton.*] Will you be good enough to turn to page 16; do you know anything of the circumstances connected with this increase of expenditure which was to be met by an anticipated unexpended balance of 40,000 *l.*?—The Comptroller of the Navy is prepared to give you information upon that subject.

340. (To Sir *Spencer Robinson.*) First, with reference to the anticipated balance; on what was that anticipation founded?—The ground of the anticipated surplus was this: in October we went carefully into the work which had been done according to the terms of the several contracts, and found that the work done by the contractors upon the ships was much less than their engagements; and on looking into the thing still further, it became perfectly evident that a certain sum could not be earned by the contractors in the year. We estimated that, in round numbers, to amount to 50,000 *l.*; and upon the First Lord of the Admiralty ascertaining that we should certainly not spend the full amount by 50,000 *l.* upon the contract ships, he, I believe, consulted the Cabinet as to whether that 50,000 *l.* should not be appropriated to doing some work in the dockyards. The result was, that a letter was written to the Treasury, asking leave to appropriate this sum; we did not quite tell them that it would be 50,000 *l.*; we said 40,000 *l.* The Treasury sanction was granted to expending whatever surplus might arise upon the Contract Ships Vote to work in the dockyards.

341. Then it was in reality not what would be called a saving so much as a deferring of payment for work which was contracted for to be done within the year?—It was both. The Estimates we made in the early part of the year were found to be rather in excess of what we obtained the contracts for; in some instances they were very much in excess. The result was, that upon the whole sum to be applied to ship-building and to be spread over two or three years, there was a considerable saving, and not only did we find that, but we found that the engagements entered into by the contractors could not be fulfilled in the year, so that we had a saving upon the amount which was to come in course of payment in the year, as well as a saving upon the whole sum which had been voted for the building of the ships.

342. It was an actual saving upon the ship-building to some extent, and the next consisted of deferred payments?—Yes.

343. Can you tell how much of this amount was an actual saving arising from a more economical execution of the work as compared with what you estimated it at?—I can state it exactly: The amount taken in the Navy Estimates and voted by Parliament was 851,300 *l.*; the price for which we obtained the contracts which we entered into was 719,831 *l.*: so that upon the capital account, if I may so call it, we had very large savings; and Mr. Corry, the First Lord of the Admiralty, having, I believe, consulted the Cabinet, then said, we are perfectly justified in asking for tenders for another ship, namely, the "Active," and another gunboat, the "Staunch," which we accordingly contracted for, but that made the total amount of the contracts 805,216 *l.*, whereas our Estimate was 851,300 *l.* The Estimate, you must know, always includes something for extras; you cannot lay down a contract so accurately, that in the course of the execution of that contract there shall be no extras; therefore we have allowed, as is the usual custom, five per cent. for extras. The result is, that instead of 851,300 *l.* for which we asked Parliament, we shall not spend more than 845,000 *l.*; our works are so far advanced now, that we can say with tolerable certainty we shall complete them for 845,000 *l.* Therefore the difference between these amonnts is the sum saved to the country as far as the actual first cost goes. Now, as to the deferred payments, if the contractors had done their work, we should have expended the following amounts: in the case of the "Audacious," we expected to have paid 65,000 *l.*, and we took 65,000 *l.* to meet the expenditure upon the "Audacious" in the year, but we only paid 44,000 *l.*; we had therefore a saving of 21,000 *l.* there.

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344. That was a deferred payment?—Yes. On the "Invincible" we only paid 43,000 *l.* instead of 65,000 *l.*; there was therefore a saving by the deferred payment of 22,000 *l.* On the "Vanguard" we only paid 16,000 *l.* instead of 56,000 *l.*, the saving being 40,000 *l.* I can explain why it was that more was not paid upon the "Vanguard" contract, if the Committee wish. On the "Volage" we estimated an expenditure of 45,000 *l.*, but we only paid 13,000 *l.* On the "Active," the estimated expenditure was nothing, because she was ordered subsequently, and we expended 13,000 *l.* on her; therefore we paid 13,000 *l.* more than was expected in that case. On the eight gunboats we expected to have paid 120,800 *l.*, but we only paid 86,000 *l.*, the work not being completed, and the contracts being taken much below the Estimate; so that the total amount deferred was 149,800 *l.*, from which you must subtract 13,000*l.* expended on the "Active," which was not estimated for, but which we found we could pay for from the deferred payments and out of the savings. We also paid 84,650 *l.* more upon the "Captain" and 6,000 *l.* more upon the "Staunch" than we expected. The total amount of savings comes to 46,164 *l.*; that is got by deducting 103,650 *l.*, which we paid more than we anticipated, from 149,804*l.*, less than we anticipated. In addition to that 46,164 *l.* obtained upon the year's expenditure, we had a saving upon the Vote for Experiments of 4,000 *l.*, and there were savings upon one or two little items of Vote 10 (for instance, the dockyard tugs) which, added to the 46,164*l.*, come to 51,527 *l.* Then the excess on the dockyards, under Vote 6, being 47,655 *l.*, that being the amount which we spent more than we ought to have done, you see that there was a balance left to justify what the Admiralty did.

345. Still that left a great deal of the expenditure which had been contemplated for the year 1867–68, to be met in the following year?—Yes,

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Yes, the whole of that deferred expenditure had to be met in the following year, and was re-voted.

346. Can you tell the Committee whether, when you thus became in possession of this fund, you took into consideration the general state of the expenditure upon the Navy, or whether you confined your view to the one Vote in question?—The only part I could answer for was, that I had to represent the state of Vote No. 10, and the state of Vote No. 6.

347. Therefore you would know nothing as to the general expenditure which was going on, on the part of the Navy, which expenditure ultimately landed you in a great excess?—No; I was perfectly aware that no accurate accounts were before the Admiralty upon the expense of repairing ships abroad in other than Her Majesty's yards.

348. In this state of affairs you obtained the authority to incur the expenditure mentioned in the Admiralty letter, which we find at page 16 of the Savings and Deficiencies Account?—Yes.

349. Mr. *Liddell.*] Will you tell me upon what you base your estimate of the cost of the contract-built ships; do you base it upon price-lists furnished by the contractors, or upon the ascertained cost of similar work done in your own dockyards?—We base it upon the ascertained price which contractors have made us pay per ton for ships as nearly similar as possible. It is not an easy thing to say that the price already paid per ton shall absolutely regulate it, because ships have been built very differently, and when the ships are built very differently, the contractors vary their price very much.

350. And I presume that that difference in your calculation occurred in this particular instance?—It occurred in this particular instance; for example, the last ship that we had got was from Messrs. Laird, and they charged us a rate per ton which we applied to the estimate of all these ships; we applied their rate per ton to the "Audacious," the "Invincible," and the "Vanguard," and that rate per ton proved to be a good deal higher than contractors charged; in fact, they made their offers and built the ships cheaper than we expected.

351. Do you apply the rate per ton which one contractor will undertake to build a ship for, to the rate per ton asked by another contractor, in order to check him?—Certainly, we compare them very accurately; all you can do when you have got to make an Estimate, and to put a certain number of figures before Parliament, naturally is to take a round sum, and say, "I expect to be able to build the ship for this"; then you apply to eight or ten contractors, who send in their tenders, and you make the best terms you can for the country. If it happened that the tenders of all the contractors were excessive, you would refuse to accept any of the tenders, and call for fresh tenders. You cannot tell beforehand at what rate you will get the tenders. If the competition in the trade is very great, you will get the ships built by contract very cheap; three or four years ago they were very dear. I may mention that there is the additional check of taking the ships built in our own yards, and comparing the cost.

352. Of course you never find that you can build a ship in your own yard as cheaply as a contractor will build it?—We have never found that yet; but I hope we may some day.

353. *Chairman* (to Mr. *Beeby*).] Will you turn to page 23 of the Savings and Deficiencies. I observe here two large items of excess connected with expenses for the naval review; has any general account of the expenses of this naval review been presented to Parliament?—No, it has not; I endeavoured to get at the amount, but no account having been prepared, it was not practicable to do it in the short time I have had since I was summoned to attend the Committee.

354. Mr. *Sclater-Booth.*] Will it be prepared?—I can have it prepared, if you wish.

355. *Chairman.*] Are you aware whether any Vote was taken for the expenses of the naval review?—No, there was not any Vote for it; it occurred at a time of the year between the passing of one Estimate and the framing of another.

356. Was any sanction of the Treasury given for the expenditure upon the naval review?—I think not.

357. Further on, at page 69, there are further expenses connected with the naval review, causing a very considerable excess?—Yes; there is no reference to Treasury sanction having been obtained for the expenses of the naval review.

358. If I understand you rightly, an account of the expenses of the naval review is in preparation?—No, it is not in preparation; but I can prepare it if you wish it.

359. Mr. *Sclater-Booth.*] I think it would be very desirable to have an account of it?—I will prepare one. (Sir *Spencer Robinson.*) I do not think it will be possible to ascertain the exact expenses of the naval review accurately, when I remember the way in which it was ordered, because the ships were collected from all places, and money was expended upon them without an Estimate; I doubt very much whether it would be possible to separate the expenses upon a ship which would have been incurred in the natural course of things from the expenses which were incurred solely on account of the naval review.

360. You could make an approximation to that separation, surely?—If the naval review had been an object foreseen, and ordered with proper Estimates for the expenses, it would have been easy to give you the account; of course, an attempt could be made to prepare such an account, but I think it would be liable to very great error.

361. *Chairman.*] Do you happen to know whether any separate account was presented of expenses connected with the naval review in England in 1856?—I cannot tell; I was not connected with the office then.

362. (To Mr. *Beeby.*) Do you know?—I do not.

363. (To Sir *Spencer Robinson.*) We should like to have the details of all the expenditure in connection with this last review, as nearly as possible?—We will try to furnish them.

364. (To Mr. *Beeby.*) Will you turn to page 25: you see a surplus of 130,626 *l.* 12 *s.* 9 *d.*, which is stated to be "owing to the cost of the ships which were contracted for in this financial year being less than estimated, and likewise to less work being executed on them than had been anticipated;" is not that chiefly from works being postponed or works that were ordered to be done being left undone?—Undoubtedly.

365. Then that is not a real saving, that is a mock saving, and will come in course of payment in another year?—Undoubtedly; it is not an actual

actual saving. (Sir *Spencer Robinson.*) As I explained before, there was a considerable saving actually in the cost of the ships, as well as a saving on the grant arising from deferred payments, which had to be re-voted next year; but as more was paid on some contracts and less on others, the deferred payments amounted to about 40,000 *l.* in round numbers.

366. (To Mr. *Beeby.*) If you look at the two columns of figures on page 25, you will see that the surplus and the excess are exactly the same; that is a very curious coincidence, and it looks very much as if the accounts had been, I will not say cooked, but had had certain items included to make them exactly coincide?—It arises from this circumstance, that in the first item there is expenditure on account of the Abyssinian Expedition, which we were entitled to reclaim from the Vote of Credit for that expedition, therefore that exactly balances the amounts. You will see that 129 *l.* 16 *s.* 5 *d.* is on account of expenditure for the Abyssinian Expedition; had it not have been for the circumstance of that amount being included, there would have been just that difference between the Estimate and the expenditure.

367. Then you took exactly the sum from the Abyssinian Vote of Credit that was necessary to balance them?—Yes.

368. It is a very near coincidence, seeing that you did postpone works to the extent of 130,000 *l.*?—It is a remarkable coincidence.

369. I suppose, in doing the works for the repairs, you were to a certain extent limited by that amount of 130,000 *l.* which had been postponed?—No; one item composing the excess is 35,022 *l.* for the repair of ships abroad, which was quite unlooked for, and therefore it is an accidental circumstance.

370. Lord *Frederick Cavendish* (to Sir *Spencer Robinson*).] Were the changes in the shipbuilding programme mentioned in the Admiralty letters of the 26th March and April 15th, and sanctioned by the Treasury on the 16th of April, submitted to Parliament in a supplementary Estimate?—I think Mr. Corry must have explained that in his speech; I have no doubt it was so. Mr. Corry made a long statement, explaining the whole thing in Parliament.

371. Mr. *Sclater-Booth.*] When these letters were written, the Vote had not been passed through the House of Commons?—It is an extraordinary thing in this correspondence that the Secretary of the Admiralty asks the Secretary of the Treasury whether a supplementary Estimate should be made; it is evident the Secretary of the Admiralty thinks that one should be made, but the Secretary of the Treasury says no.

372. That is a different correspondence altogether; the question is whether, in the correspondence of the 15th and 16th of April 1867, there was an application to vary the programme before sanctioned by Parliament?—Yes, but that varied programme was the one voted; it was printed as voted by Parliament. In answering the questions you have put to me, I have had in my mind that programme as voted after it was changed.

373. Lord *Frederick Cavendish.*] What is this correspondence of 1867 here for, unless it is to explain some excess?—The Navy Estimates were originally printed with a different arrangement of the shipbuilding; the Admiralty's habit is, of course, to ask the Treasury's sanction for any alteration they wish to make in the Estimates; accordingly they wrote that letter asking to make those alterations. Those alterations were made and printed, and that was what Parliament voted.

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374. Mr. *Sclater-Booth.*] When you say that they were printed, you mean that those alterations were taken account of in the Appropriation Act as they were voted?—I do not know about the Appropriation Act; I know how they were voted.

375. This is to explain what might have appeared to be a discrepancy if we had had the original Estimates as they were first framed?—Yes.

376. *Chairman* (to Mr. *Beeby*).] Turning to page 23, I find a deficiency of 230,415 *l.* 9 *s.* 3 *d.*, and I see that the Treasury's sanction was applied for to the extent of 100,000 *l.* of this excess, can you tell me why the Treasury's sanction was not applied for, for the whole of the excess?—Because this large excess was not known until the account was made up eight months after the termination of the financial year, it having been caused by expenditure coming in from abroad in great measure.

377. Before the termination of the financial year, you estimated that an excess of about 100,000 *l.* would exist?—Yes, exactly; but it proved afterwards to be much larger.

378. It proved afterwards that you had underestimated the excess?—Yes.

379. Will you turn to page 29; I see "Extension of the yard, excess 51,696 *l.*"; I suppose that merely arises from the work having been got on with quicker than was expected, and more having come in course of payment in this year than was anticipated?—That was the cause of it.

380. Will you turn again to page 33; I see a surplus arising on the following items:—"Extension of the yard, 115,173 *l.*, owing to the contractors having elected to exclude the tidal waters by a temporary coffer-dam over the whole area of extension before commencing any permanent work on which payment could be made:" if I understand it rightly, the permanent work has been deferred for the present, because this preliminary work was necessary?—That is the case.

381. Then that is not so much a *bonâ fide* saving as a postponement of the work which had been contracted to be done?—Yes.

382. Mr. *Sclater-Booth.*] In the case of all these postponed works, a fresh statement has to be made with regard to them in the next Session of Parliament?—Yes.

383. They are all taken into account in the Admiralty Estimates and Accounts?—Yes.

384. *Chairman.*] When a work is postponed, you do not think it necessary, I believe, to surrender the anticipated cost to the Exchequer, although, of course, you do surrender all *bonâ fide* balances?—If the work is postponed, you have to get it re-voted, and for that purpose to state the fact in the succeeding year's Estimates; it would appear in those Estimates that you had expended so much less than was anticipated when the Estimates were framed, and that you required so much again next year.

385. When you have postponed a work, do you consider yourself at liberty to spend the same sum of money as you have obtained by the postponement in anything else which you think requires to be done?—No; in some cases it is

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desirable for the wants of the service to expend the money, but then a representation is always made to the Treasury, and the Treasury's sanction is obtained to appropriating the surplus towards another work.

386. The surplus on a sub-vote?—Yes, to appropriating the surplus on one sub-vote towards another work.

387. Mr. *Seely.*] That 51,696 *l.* was for the extension of the Chatham Dockyard, was not it?—It was.

388. (To Sir *Spencer Robinson.*) What is the total amount of the contract for that?—I do not recollect exactly, but it is a large sum. (Mr. *Beeby.*) There may be various contracts, but the total Estimate for the work is 1,250,000 *l.*

389. Was that authorised to be expended by Act of Parliament?—I am not sure. (Sir *Spencer Robinson.*) Yes, we went to Parliament for that Act, I know perfectly well.

Mr. Henry William Routledge Walker, called in; and Examined.

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390. *Chairman.*] What office do you hold?—I am Deputy Accountant General of the Navy.

391. Mr. *Seely.*] Do you remember what was the amount that Parliament authorised to be expended in extending the Yard at Chatham?—Not with sufficient exactitude to be able to give you the precise figures; but I think the amount stated there was made the subject of special contract, and of special consideration before Parliament.

392. (To Sir *Spencer Robinson.*) I should like to know how much the Admiralty were authorised to expend under contract, and what has already been expended, and what is the amount of the contracts entered into?—(Mr. *Walker.*) That is all in the Navy Estimates for this year. Your question rather pointed not to the exhibit of the total Estimate, which is apparent upon the face of the Estimates, but to the amount of the contracts and their number, and whether those contracts have received the special approval of Parliament.

393. (To Sir *Spencer Robinson.*) I want to know whether you have exceeded your power?—This will show you that at present that cannot very well be the case (*pointing to page* 87 *of the Navy Estimates for* 1867-68).

394. (To Mr. *Walker.*) Can you lay before the Committee by their next meeting a statement of the amount of money which the Admiralty was authorised to expend in the extension of the Chatham dockyard, the amount of the contracts already entered into, and the amount of money paid upon the same?—I will.

395. *Chairman* (to Mr. *Beeby*).] Will you turn to page 45; among the savings there I see several works which had been deferred or postponed; would most of those works have to be executed in the following year; I mean were they voted for the following year: you will see, under "Causes of variation; surpluses arising on the following items: Chatham Schools for Children, 820 *l.*; this item is deferred. Chatham, other works under 500 *l.* each, 455 *l.* By postponing work pending further decision"?—Yes, in some instances the work would have to be executed in the following year, but in others it would appear that it would not.

396. I see one very considerable item; "Plymouth: constructing additional barrack accommodation;" I believe that had to be constructed in the following year?—Yes, that expense had to be incurred in the following year.

397. "Plymouth gymnasium, 1,500 *l.*; this item is deferred"?—Probably that would fall in the following year.

398. Then these savings, amounting to 17,335 *l.*, are not so much real savings as temporary savings, by leaving undone works for which money was voted?—Quite so; some small items are real savings where the work has been executed by marine labour in a cheaper manner than was anticipated.

399. Mr. *Sclater-Booth.*] Still they are all savings, as compared with the estimated expenditure in the current year?—Yes.

400. Although they may or may not be an absolute saving to the country?—Yes. (Sir *Spencer Robinson.*) When you have given an Estimate, if you do not spend it all, you must show what is not spent, as a saving.

401. It is a saving from that point of view?—Yes, though from another point of view it may be very expensive.

402. *Chairman* (to Mr. *Beeby*).] Now if you will turn to page 67 in the Savings and Deficiencies Account, you will see amongst the excesses the considerable item of 25,556 *l.* "from the large payment awarded by the High Court of Admiralty for compensation to the owners of the Irish passenger steamer 'Osprey,' for loss of that vessel and her cargo by collision with Her Majesty's ship 'Amazon:'" the Committee are desirous of having a little explanation about that?—The matter was under the consideration of the law authorities for a considerable time, and awards were made upon three different occasions in the year 1867, but they were not in such a state as to admit of payment until the 23rd of January 1868. There was an award on the 1st of February 1867 of 12,936 *l.* 17 *s.* 11 *d.*; there was an award on the 28th of August of 5,089 *l.* 7 *s.* 6 *d.*; and there was an award on the 19th of October of 6,151 *l.* 2 *s.* 5 *d.*

403. Mr. *Sclater-Booth.*] Only one of those three awards having been before the voting of the Estimates?—Quite so; and as there were others to follow that, it was clear that the matter was not complete, and that we were not in a state to provide for the whole charge in the Estimates for the year 1867-68, which are under consideration.

404. It, in fact, very nearly happened that the payment was not made within the year at all?—Very nearly.

405. *Chairman.*] I see there was a sum of 4,000 *l.* taken in the Estimates; was that for the Irish ship "Osprey," or for any casualties that might occur?—It was not for the "Osprey," because we never can foresee what casualties will occur; the sum put into the Estimates is based upon an average.

406. Mr. *Sclater-Booth.*] You took a lump sum of 4,000 *l.* based upon an average?—Yes, upon the average of the ordinary expenditure, not

not taking into consideration extraordinary casualties.

407. *Chairman.*] Do you know whether this matter ever came before Parliament? — Only when it was laid before Parliament in the account.

408. (To Mr. *Walker.*) Was an Estimate or a supplementary Estimate for this large item ever laid before Parliament?—No; the first award was only granted in February 1867, when the Estimates had been prepared, and when they were in a position to be laid before Parliament, and the number of legal transactions out of which the two succeeding awards issued could scarcely be made a subject of provision in the Estimates of that year.

409. (To Mr. *Beeby.*) The first award was granted on the 1st of February 1867?—Yes.

410. How much was it?—£. 12,936 17 *s.* 11 *d.* (Mr. *Walker.*) That was made on the 1st of February 1867, whereas the Estimates for 1867–68 would be in course of preparation in the December previous, and would be completed before that date.

411. Mr. *Sclater-Booth.*] But there might have been a supplementary Estimate?—Yes, and no doubt there would have been one, but that it became a series of successive trials and successive awards. The last of all was made in October 1867, but it was not paid even then; owing to certain circumstances connected with it, it was not paid until January 1868, and at that time it not being anticipated that there would be a general exceeding upon the Estimates, it would have been contrary to departmental practice to have made it the subject of a supplementary Estimate.

412. *Chairman* (to Mr. *Beeby*).] Can you furnish the Committee with an exact account of the money which has been paid at different times on account of the ship "Osprey"?—I can; the payments were awarded in this manner: on the 1st February 1867, 12,936 *l.* 17 *s.* 11 *d.*; on the 28th of August, 5,089 *l.* 7 *s.* 6 *d.*; on the 19th of October, 6,151 *l.* 2 *s.* 5 *d.*, making 24,177 *l.* 7 *s.* 10 *d.*, which was directed to be paid by an Admiralty Order of the 23rd of January 1868; and by an Admiralty Order of the 17th of January 1868, the sum of 1,550 *l.* was also directed to be paid, making altogether 25,727 *l.* 7 *s.* 10 *d.*

413. Will you turn to page 71 in the Savings and Deficiencies Account; there is an excess of 14,595 *l.* upon "Naval Pensions to Seamen and Marines"; of that there is an explanation given which the Committee do not very well understand?—The naval pensions are paid together with the pensions of the army by the staff officers of the army, and therefore the payment of these pensions is under the control of the army department; the army department therefore furnishes the Estimate, and also furnishes the account of expenditure, so that the Admiralty have very little control over this item.

414. And you expected to have had 46,186 *l.* more given to you?—There was a faulty Estimate in consequence of the payment for the first time of the Greenwich Hospital pensions. The War Office did not clearly follow out the request made by the Admiralty to keep those pensions distinct from the naval pensions, and the Admiralty was obliged therefore to make an arbitrary deduction, which proved to leave too little for the naval pensions, and caused the excess which is here stated.

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415. If you turn to page 73, you see an excess of 45,138 *l.*, "owing to the removal of some of the troops in New Zealand, for which provision was made in the previous year, having been deferred to the payment of War Office and India Government claims, for services performed in prior years; and to the employment of a hired ship for the relief of a regiment in Canada, in lieu of one of Her Majesty's troop ships intended to be so employed when the Estimate was framed:" we think that these items ought to be known and anticipated beforehand?—I have consulted the Director of Transports, to whose department this item relates, and I will read his observations upon that question: "It was not known when the Estimate for 1867–8 was prepared, that more than 15,750 *l.* would be required on account of troops returning from New Zealand, and that sum was accordingly provided in the Estimate for the year. The return of the troops was, however, deferred by the military authorities, probably on account of the unsettled state of the Colony, and therefore the balances of freight became payable in 1867–8, instead of 1866–7. No particular occasion arose for proposing a renewed Vote as the expenditure became due at intervals throughout the year."

416. Part of this excess, I suppose, might be ascribed to the war in New Zealand?—Those are the circumstances which are alluded to as postponing the sending home of the troops. It was expected that the troops would be sent home in sufficient time for the payments to be made in 1866–7. They were kept there longer than was anticipated, and that threw the expenditure into this year.

417. There was a certain sum assigned for the prosecution of the New Zealand war out of the Treasury Chest; I do not think in the Admiralty accounts credit has been taken for any part of that sum?—No, we had no part of that sum.

418. I suppose you might have taken credit for a part of that sum to apply to this excess, might you not?—I am not aware of the circumstances under which the Vote was granted.

419. Mr. *Sclater-Booth.*] If you could have got hold of any of the money, I suppose you would have been glad to do so?—Yes.

420. *Chairman.*] If you could have got it, you would have taken it with a clear conscience?—Yes.

421. Lord *Frederick Cavendish.*] You state that this expenditure was not known when the Estimates were prepared; would it not have been possible, before the conclusion of that Session of Parliament, to have known the sums sufficiently approximately to have submitted an Estimate to Parliament?—I think the expenditure could not have been known in sufficient time to have laid it before Parliament. It is stated that the expenditure came forward at intervals throughout that year, therefore it grew up in the department.

422. Mr. *Sclater-Booth* (to Mr. *Walker*).] I think I understood you to say just now that it is not the practice of the department to propose a supplementary Estimate, unless it is expected that there will be an excess upon the whole of the Votes?—Yes; and so here, if it had been expected that the entire Vote would be absolutely exceeded, there would have been a supplementary

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Estimate; but if you have a fair chance of having no excess, you do not ask for a supplementary Estimate, because to encumber your accounts with a supplementary Estimate and a saving is a departmental inconvenience.

423. Lord *Frederick Cavendish.*] But there is a considerable deficiency upon this Vote?—At the time that that expenditure was incurred, the general condition of the other Votes was estimated to be such, that whilst on this Vote it would issue in an exceeding, there would be a balance to cover it upon the other Votes; that excess arose from the expenditure from abroad coming in several months after the conclusion of the year, when the opportunity of presenting a supplementary Estimate had ceased to offer.

424. Mr. *Sclater-Booth* (to *Mr. Beeby*).] It would illustrate it better if it had been divided so as to show the Abyssinian excess distinct from these small items; what was the Abyssinian excess altogether?—£. 1,426,998 18 *s.* 11 *d.* (Mr. *Walker.*) I think the effect of mixing up the Abyssinian credit with the ordinary grants is, that you so cloud over your normal and extraordinary expenditure that you rely upon having a saving where you ought not, and get into a state of confusion; whereas, if you took out the Abyssinian credit and left the ordinary grants to fulfil their ordinary purpose, in many cases you would have saved these contrarieties.

425. Still, under Vote 17, it would have been much clearer if so large an excess as that on Abyssinia had been separated from the small items?—No doubt. (Mr. *Beeby.*) The expenditure is separated in the Account of Savings and Deficiencies.

426. Of course you have nothing to do with this explanation; the Comptroller and Auditor-General gives that?—Yes.

427. *Chairman.*] Will you turn to page 12 of the Appropriation Account; you observe that in paragraph 2 of the Report, the Comptroller and Auditor General says, "There appears, however, to be a delay in recording expenditure in the Admiralty books," and he gives instances of the late posting of the accounts; has a satisfactory reason ever been assigned for that late posting of the accounts?—No satisfactory reason has been given for it, and the state of things was so unsatisfactory to me, as well as to the Comptroller and Auditor General, because it pressed upon my department with greater severity than upon his, that I called the attention of the Board of Admiralty to it, and they issued a circular at my instigation to lay down some definite rules as to the time at which the accounts and vouchers should be returned from the other departments. I cannot complete the examination and audit of the different accounts until I get back from other departments the accounts and vouchers which have been referred to them, and that has delayed the posting of the accounts to a very serious degree. But the Board of Admiralty on the 7th of April issued a circular letter which I hope will prevent the occurrence of this delay in future.

428. Mr. *Seely.*] On the 7th of April of which year?—1869.

429. *Chairman.*] If you will turn to page 15 of the Appropriation Account, you will see "My Lords observe the absence of the prescribed certificate of the Accountant General, to the effect that the account contains no expenditure which has been incurred without superior authority;" can you give a full explanation of that circumstance?—The objection that I had to giving this certificate was, that no rules had been agreed upon between the Admiralty and the Treasury as to the cases in which superior authority should be obtained, so far as relates to establishment expenses; as regards the appropriation of surpluses in aid of expenditure upon other Votes, the rules are pretty well defined; but with regard to establishment expenses there has been no clear and definite understanding, and until an understanding is arrived at between the Admiralty and the Treasury, I shall not be able to give this certificate. The question is now under the consideration of the Treasury, where it is being investigated by the Financial Lord, who has Mr. Anderson, the Assistant Auditor General, looking into the matter under his directions, with a view of laying down some definite rules applicable not only to the Navy but also to the Army department. I have myself been in communication with Mr. Anderson upon the subject, and we hope that in the course of the present year these rules may be laid down, and then I shall be in a position to give this certificate; but I could not state at present that superior authority has been obtained in every case where it is necessary, because there are no rules laid down, and no understanding come to on this particular question.

430. Mr. *Sclater-Booth.*] Then you do not agree with the paragraph in the Treasury letter, which states that in the case of the present year the difficulty will not arise?—I think it may arise until we get more definite rules.

431. However, it is under consideration?—It is under consideration, and I hope it will soon be settled.

432. Lord *Frederick Cavendish.*] It has been under consideration for some years, I suppose?—It has been for some time; it was recommended in the Second Report of the Committee of Public Accounts of the 7th August 1867.

433. *Chairman* (to Mr. *Walker*).] If the Abyssinian account had not been mixed up with the account of the ordinary naval expenses of the year, this account would have been rather less, would it not?—Yes, by 1,634 *l.*, the surplus appropriated under Votes 5, 7, 8, and 10, to Abyssinia.

434. (To Mr. *Beeby.*) On the whole, do you not think that it would have been much more satisfactory if the account of the expense incurred for the Abyssinian war had been kept quite separate from this account of the ordinary naval services?—I think it would have been clearer.

435. Up to the present time, in keeping the accounts, has any difference been made between the ordinary and what may be called the extraordinary expenses of the navy?—The extraordinary expenses on account of Abyssinia are kept distinct.

436. Here you have mixed up the two together; hitherto there has been no such distinction made in any account whatever, has there?—They have been kept together by direction of the Treasury.

437. That has always been done hitherto, has it not?—Yes, always under Treasury direction.

438. It is no new thing keeping them together in this case?—No.

439. Will you turn to page 9 of the Appropriation Account, if you please; has your attention ever been called to the various expenses animadverted upon by Mr. Baxter in his letter,

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at pages 9 and 10, particularly the expenditure for coals?—I am aware in a general way that the expenditure on account of coals has increased very much, and thrown out the Estimates of the storekeeper general.

440. Have you ever heard any satisfactory reason assigned for that?—The purchases abroad, I believe, were the cause of the fluctuation in the expenditure.

441. Was the price of coals higher than in ordinary years?—When coals are purchased abroad, they are very much more expensive than when sent out from home; and if, therefore, they use more coal on any station than the supply sent out from this country will meet, an enhanced expenditure occurs very rapidly.

442. Could the extra demand for coals for the conveyance of a great body of troops for Abyssinia have enhanced the price of coals abroad?—Yes, the price of coals was increased very much, in consequence of the demand for the Abyssinian Expedition.

443. So that you would have had to pay more on account of coals than you would otherwise have had to pay?—Clearly that was the fact.

Wednesday, 16*th June* 1869.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Liddell.
Lord Frederick Cavendish.	Mr. Pollard-Urquhart.
Mr. Algernon Egerton.	Mr. Sclater-Booth.
Mr. William Fowler.	Mr. Seely.

WILLIAM POLLARD-URQUHART, Esq., in the Chair.

The Right Honourable Henry T. Lowry Corry, a Member of the House; Examined.

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444. *Chairman.*] We believe that you were First Lord of the Admiralty during the financial year, 1867–8?—I was First Lord of the Admiralty during the whole of the year 1867–8, but the Estimate for 1867–8, was not prepared by me; it was prepared by Sir John Pakington, and I found it in print, when I succeeded him as First Lord of the Admiralty.

445. In looking at the accounts of the expenditure as compared with the Grants for the year 1867–8, we observe that there is an excess of expenditure beyond the ordinary Naval Grants of 366,545 *l.*; may we ask you at what time your attention was called to that excess of expenditure beyond the Grants?—The actual amount of the excess of expenditure was not ascertained, of course, until quite late in the year; because, as you are aware, the actual amount of the naval expenditure is not known at the office until the accounts have been received from abroad and examined and posted. The usual practice is to close the examination of the accounts on the 30th of September, and then about two months are allowed for examination by the Comptroller and Auditor General; and the account has to be laid on the Table of the House of Commons within a week after the meeting of Parliament: therefore at the end of the financial year, that is to say on the 31st of March 1868, I had no reason whatever to anticipate the large excess which occurred. The Committee is aware that I did anticipate a certain excess, because in the Paper of Savings and Deficiencies you will see a letter from the Admiralty to the Treasury, suggesting that we should bring in a supplemental Estimate to the amount of 111,000 *l.* The Treasury did not think it necessary to accede to that suggestion, for reasons which are specified by the Treasury in their own letter. Of course, I am not cognisant of what their reasons were, beyond those which were specified.

446. Mr. *Ayrton.*] Which letter is that which you are referring to?—You will find it at page 24 of the Statement of the Savings and Deficiencies upon the Grants for Naval Services. Lord Henry Lennox proposes, in his letter of the 26th of March, that the Admiralty should prepare and lay before Parliament a Supplementary Estimate to the amount of 111,000 *l.*; and the Lords of the Treasury state "that at this late period of the financial year, my Lords are of opinion that it is undesirable to submit a supplementary Estimate. They trust, however, that when the accounts for the year are closed, the savings on the aggregate Votes will prove sufficient to defray the greater part of this expenditure; but, if not, any excess must be submitted as such when the accounts have been audited." At that time we foresaw an excess on the Store Vote, that is, Vote No. 10, section 1, which was occasioned by very special and exceptional circumstances, principally owing to political events in in Japan; but under the other heads of expenditure we had no reason to anticipate any deficiency. In fact, on the contrary, until late in the year, I was given to understand that our accounts stood uncommonly well, and I presume that very probably I acquainted the Treasury with that circumstance verbally; and that may have been the reason why they thought it unnecessary at that time to propose a supplementary Estimate.

447. *Chairman.*] The Committee are to understand that you were not aware of the full amount of the excess of expenditure over Grants until Parliament was prorogued in the autumn of 1868; in August, I think?—I could not have been aware of it to the full extent.

448. And by the time that the Government were fully aware of it, you had ceased to preside over that Department?—Yes.

449. Mr. *Sclater-Booth.*] It think it was about the time that the Government went out of office that you became aware that there would be an excess of expenditure over the Grants for the year?—Yes, about that time; but we could not propose a supplementary Estimate then.

450. It would not have been possible to propose a Supplementary Estimate unless you had known of the deficiency before Parliament was prorogued?—No; I was not aware of the full extent of the deficiency then; I was aware that there would be a deficiency.

451. Lord *Frederick Cavendish.*] Will you kindly look at a letter, printed at page 17 of the Savings and Deficiencies Account, dated October 5th 1867, in which the Treasury sanction certain proposed changes in the shipbuilding arrangements; in that letter the Treasury stated

stated that, "With regard to the two remaining proposals of the Board of Admiralty, my Lords are of opinion that, as a general rule, having in view the large expenditure which must be incurred, the laying down of vessels of the size and class proposed should be considered a work for which the sanction of Parliament should be previously obtained. Having regard, however, to the urgent considerations stated by the Lords Commissioners of the Admiralty as to the importance of proceeding with these vessels without delay, my Lords would suggest that the best course will be to provide for the expense by a special Estimate to be submitted to Parliament early in the next Session, and upon this understanding my Lords are prepared to give their sanction to the arrangements proposed;" will you kindly state to the Committee why no such special Estimate was submitted to Parliament at the beginning of 1868?— The reason was this; this letter of the Treasury was obviously written under a misapprehension, because we distinctly stated that which was the fact, that the alterations in the programme which I made when I was appointed First Lord, and which varied the programme in some respects from that which I inherited from Sir John Pakington, would not occasion any additional expenditure. On the contrary, I distinctly stated that, notwithstanding more work was to be done, including an additional armour-clad to be built, yet the price at which the ships were contracted to be built was so much below the Estimate of the Comptroller of the Navy that we could do the greater quantity of work, even at a less price than the Estimate for the smaller quantity of work; and that observation does not only apply to the expenditure for the year, but it also applies to the total expense for the completion of the vessels. I may state, perhaps, that just before Parliament met, I had a verbal communication with some one at the Treasury, I forget who at this moment (it may have been the Chancellor of the Exchequer, or the Secretary to the Treasury), and I pointed that out, and it was at once agreed that as there was no Estimate to propose, it would be totally contrary to all precedent to lay upon the Table of the House of Commons a statement of the bare intentions of the Admiralty, without proposing to the House anything to carry those intentions into effect; and in moving the Naval Estimates for 1868-9, I entered fully into the consideration of these questions, and stated the exact figures as given me by the Comptroller of the Navy; and even more than that, although I did not move the Navy Estimates for 1867-8, as I was out of Parliament at the time, pending my re-election (they were moved with great ability by Lord Henry Lennox), yet subsequently when we came to the Vote, I fully explained to the House the greater part of the alterations I had effected in the programme; that was in the early part of 1867-8, before the expenditure was incurred; and I remember Mr. Childers, who followed me, saying, that he thought that my programme was a great improvement upon that of my predecessor. I think the only additional work, beyond that which I specified in speaking on the Navy Estimates in 1867-8, was the hiring of a certain number of artificers to bring forward the ships which were fitting for the reserves in the dockyards, and likewise the construction of a 2,000 tons corvette over and above a vessel of the same character, which I informed the House in the early part of the year it was my intention to build.

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452. Mr. *Sclater-Booth.*] Then does it come to this, that in your view a supplementary Estimate would not have been a proper mode of meeting the expenditure referred to in the Treasury letter of the 5th of October; but you explained verbally to the Chancellor of the Exchequer at that time, that the Treasury suggestion of a supplementary Estimate would not be applicable, and in lieu of a supplementary Estimate, you made a statement upon the subject in the House of Commons when you were introducing the Navy Estimates in the following year?—Yes; it would not only not have been proper to have moved a supplementary Estimate, but it would have been totally at variance with the necessities of the case to have done so; because the fact is, that exclusive of the excess which occurred under Vote 10, section 2 (which excess was occasioned by unforeseen expenditure principally in Japan, and which I was not aware of at the time), the expenditure on shipbuilding was something like 45,000 *l.* less during the year than the sum which had been voted by Parliament; therefore, as far as shipbuilding only was concerned, which was all I could deal with then, as I had no knowledge of this unforeseen expenditure in Japan, so far from a supplementary Estimate being required, we were 45,000 *l.* upon the right side of the post.

453. Mr. *Ayrton.*] Upon that particular Vote?—Upon the Shipbuilding Vote; you will see it specified at page 24 of the Savings and Deficiencies Account. There was an excess, that is to say, an expenditure more than the Estimate, of 84,462 *l.* for building the "Captain," and there was a saving of 130,626 *l.* upon other contract ships; therefore the amount of the difference was, I think, 45,000 *l.* or 46,000 *l.*

454. On which Vote is that?—On Vote 10, section 2; nearly 85,000 *l.* more than the Estimate was spent upon the "Captain," "owing to the contractors having pressed forward the work;" but in the next line you will see a saving of 130,626 *l.* upon other contract ships.

455. You mean that there could be no supplementary Estimate moved, because on Vote 10 there was a saving upon the balance of all the operations under that Vote?—There was a saving of 45,000 *l.*; I think it is the difference between 84,462 *l.* and 130,626 *l.*

456. Upon the whole Vote?—I speak of the Shipbuilding Vote; it was the Shipbuilding Vote only to which my alteration referred; the saving which would have accrued under this head, and which would have gone to recoup Vote No. 6 for the hire of labourers in the Dockyards, was absorbed by the unforeseen expenditure in Japan. Perhaps I may explain to the Committee that the reason why there was a large excess for building the "Captain" was this; everyone knows what a battle there has been between the broadsides and the turret ships; I thought it very inexpedient to lay down another sea-going turret ship until the "Captain" and the "Monarch" had been tried; but I was anxious to forward the experiment by every means in my power, and therefore knowing that there would be a great saving upon the other Shipbuilding Votes, I pressed Messrs. Laird to make all the progress they could with the "Captain," which they did, and they spent 84,462 *l.*; that was done

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with the view of expediting the experiment as regards the turret ships.

457. What is the result upon the whole as regards Vote 10?—On the whole of Vote 10, section 2, there was a small deficiency; the Vote and the expenditure were about the same. The expenditure under Vote No. 10, section 2, was within a fraction the same as the Vote; but the scrape we got into was owing to the unforeseen expenditure in Japan, which was a charge upon this Vote, and which, therefore, made an excess, not upon Vote No. 10, section 2, but upon the Vote for artificers.

458. Mr. *Fowler.*] Does it not come to this, that this expression used in the letter of the 5th of October by the Treasury is an incorrect expression, where they say, "It should be considered a work for which the sanction of Parliament should be previously obtained"?—Strictly speaking, the sanction of Parliament ought to be obtained to the building of a new ship. The Treasury was not wrong there, but they were wrong in supposing that a supplementary Estimate would be required to make good the excess, because the anticipated and the actual expenditure was less than the Vote.

459. The sanction of Parliament was not obtained for this ship afterwards, was it?—It was obtained afterwards. When I moved the Navy Estimates in the following year it was fully explained.

460. Then there was no Estimate, but there was a sanction of it?—There was an Estimate in the office, but there was no Estimate voted by Parliament, because the building of this extra ship had not been sanctioned by Parliament when it was undertaken. I have been in the Admiralty a long time. I began in 1841, and I have known the practice of the department for 29 years; and I can state that for building a ship in a dockyard you do not ask the sanction of Parliament beforehand; it simply goes on; in fact, in order to keep the men employed, you are obliged sometimes to lay down a ship. That is constantly done without the sanction of Parliament.

461. Mr. *Sclater-Booth.*] In fact, the omission here seems to have been that there was no reply to the suggestion of the Treasury, setting out what you have now told us?—Yes; perhaps so.

462. Lord *Frederick Cavendish.*] Considering that the sanction of the Treasury to this change was only given on the understanding that a special Estimate should be presented to Parliament, would it not have been well to have stated in these accounts the reasons for not presenting such an Estimate?—Perhaps it might. I stated the reasons fully in moving the Estimates for 1868-9. You will find it in page 37 of my speech. I may add, that the Appropriation Act permits, if you have money, as we had, its application, with the sanction of the Treasury, to works not sanctioned by Parliament.

463. Mr. *Ayrton.*] Within the limits of the Vote?—Within the limits of the Vote.

464. Lord *Frederick Cavendish.*] But the Treasury only gave their sanction upon the condition that a special Estimate should be presented to Parliament?—That was on assumption that a special Estimate was required; but instead of a special Estimate being required, we had already 45,000 *l.* more than was necessary in hand.

465. Mr. *Liddell.*] With reference to an answer you have just made, I understood you to say, speaking from your own experience at the Admiralty, that it has been found necessary at times, in order to give employment to the men, to lay down new ships without obtaining the sanction of Parliament to such ships; I presume that would only extend to the application of a surplus, arising under any of the heads of voted Services; you would not undertake to incur new expenditure, trusting to obtaining the sanction of Parliament to a supplementary Estimate afterwards for that purpose, would you?—No; there is a broad distinction between ships built in the dockyards and ships built by contract.

466. I speak of ships built in the dockyards?—No, certainly you would not; in the dockyards you have a programme for the year of the establishment of shipwrights and other artificers, as regulated with reference to the probable wants of the service; and if it happens that more progress is made with a ship than was anticipated, you are obliged, unless you mean to let the men walk about with their hands in their pockets, to employ them in some way. It is not that you are building unnecessary ships, because it is foreseen, and the establishment is regulated with reference to the wants of the service. In this very case I do not think that any expenditure was incurred at Pembroke when we laid down a second class armour-clad. If any expense was incurred upon that ship, it was a mere trifle, at any rate. There are a great many preliminary forms that have to be gone through before you begin building a ship. You have to lay a mould. Preparations of that kind cost nothing at all, except the salary of the officer, which would be paid whether he laid it or not; and therefore you constantly, in the course of one financial year, make preparation for laying down ships in the following year, of which Parliament has heard nothing; and, indeed, the Estimate has not specified the ships to be built in the dockyards.

467. What I mean is, you would be strictly confined to the appropriation of savings arising under other heads of the Vote to any such purpose; unless such a saving existed, of course you would not be enabled, even for the sake of employing the men, to incur such an expenditure?—No; I do not say that if it came to a few hundred pounds you would think of it; but if it were a question of any large expenditure, you would need to have a saving under some other head to meet it. You cannot exceed the total Vote, but you would not mind incurring an extra expenditure of a few hundred pounds if you thought you could repay it by savings upon other Votes.

468. There is a certain discretion in the Board of Admiralty upon that point?—Yes.

469. Mr. *Seely.*] I see there is an excess of 230,415 *l.* 9 *s.* 3 *d.* on section 1, Vote 10, for Stores?—Yes; there is a large excess there.

470. Are you aware what was the chief cause of that excess?—There were several causes; one of the great causes was the civil war which broke out in Japan: the greater part of the China squadron were employed on the coast of China, but when the civil war broke in Japan, the greatest possible alarm pervaded the civilised public mind in Japan as to the consequences of their civil war; and the Ministers of all nations resident there strongly urged the several admirals and senior officers to detach as large a portion of their force in the China Seas as possible, for the

the protection of the community in Japan; in consequence of that requisition, Sir Henry Keppel went there himself in his own line-of-battle ship, the "Rodney," and he likewise sent the "Ocean," a large armour-clad, there, and altogether he had 12 pennons flying in Japan. It has been said that we undertake the Quixotic duty of protecting the trade of all the world in China; but in order to show the necessity which existed in the minds of the Ministers of other nations at that time in Japan, of protecting the community there, I may mention that we had 12 ships there, while other nations, particularly the French and the Americans, had 15; so that a fleet of 27 sail constituted the whole naval force collected in Japan, and I do not believe that that was one ship too many to insure the safety of the Europeans, and also to prevent any infringement of our treaty rights, which very possibly might have resulted from the civil war; I may state that Japan being something like 2,000 miles from Hong Kong, which is our usual base of operations in that part of the the world, and this outbreak in Japan being quite unforeseen, of course no provision could be made for it. The consequence was that our ships were obliged to purchase coals and stores of all descriptions, quite at a fabulous price, because, of course, the merchants took advantage of our poverty in those articles, and asked what price they pleased; that was one of the great causes of the excess.

471. Mr. *Ayrton.*] We understand that, in the Admiralty, no statement is made up from time to showing the progress of the expenditure on the Votes, so as to bring under the notice of the First Lord the comparative state of the expenditure and the Grants?—It is the constant practice to obtain information, as far as information can be given, from the principal officers of the department; but they cannot furnish anything like reliable information until the accounts are received from abroad, which may not be until six months after the end of the financial year.

472. Is the expenditure so made carried to the account of the previous year, although it has been made after the end of that year?—Yes, all the expenditure during the year abroad, which is brought to account by the 30th of September, is charged to the preceding year; that is to say, to the year in which the expenditure was actually incurred. Any expenditure abroad during the year which is not brought to account by the 30th of September is charged to the following year.

473. You will observe, that in the one Vote for Naval Stores, the excess is 230,415 *l.*, exclusive of all Abyssinian charge?—Yes; there were a great number of other causes. There was a very great rise in the prices of a great number of stores which we could not have foreseen, and it is stated here that, "the remaining excess, viz., 195,526 *l.* has arisen from the necessity for the purchase of increased supplies of coals and stores required for the general use of the fleet, both at home and abroad, beyond those anticipated at the date the Estimates were prepared, based, so far as regards purchases, by accountants at home and abroad, upon the payments of the previous years."

474. You had no information of this growing excess from abroad until after the year had expired?—No; we were aware that operations were going on in Japan, but we were not aware of the greatly increasing expenditure they would lead to.

475. You remember that the naval review cost the country a very large sum of money?—Yes; it cost the country a considerable sum of money, but it did not cost the country as much as might appear, because the fleet which was reviewed was composed chiefly of coast-guard ships and the Channel fleet; and it has been the practice of late years to send the coast-guard fleet to sea for a cruise, and the Channel fleet is constantly cruising, of course. Therefore, as regards those ships, the expense was not considerable. There were some other ships commissioned temporarily from the coast-guard ashore, and, I think, a few Naval Reserve men. They may, of course, have added to the expense, but I always anticipated that any expense incurred on that account would be more than repaid to us by the savings upon the other heads, because I knew that there would be a considerable saving under the Vote No. 1, in consequence of fewer men having been borne than were voted. I also anticipated that there would be a saving, and, in fact, I was informed that there would be a saving, under Vote No. 2, instead of which, from various causes which I specified in my speech in the House of Commons, there was an excess of, I think, 97,000 *l.* where I had expected a saving. There was a saving under Vote No. 11, for New Works, which was in consequence of the contractor at Portsmouth having elected to devote the greater part of his energy in that year to the construction of temporary plant, for which he was entitled to no payment. Therefore the payment upon the Works was less than the Estimate. I anticipated always that the savings upon Votes Nos. 1, 2, and 11 would more than meet the excess upon Vote No. 10.

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476. That was the reason why no supplementary Estimate was presented to Parliament in the Session of 1867, to cover the expense occasioned by the review?—Yes, that was the reason.

477. Could you suggest to the Committee any means by which the First Lord of the Admiralty could be kept informed of the expenditure, so that he should become cognisant of the fact that there was so large an excess as 350,000 *l.* over his Estimate in time to have that brought under the notice of Parliament in the year in which it occurred, or very shortly afterwards, in the same Session?—The only mode I could suggest would be to alter the existing law, and to substitute for it an arrangement whereby nothing should be charged against the year but the expenditure brought to account in the year.

478. That is to say, expenditure brought to account in London in the year?—Yes; that is the only mode that I see by which the First Lord can be informed of the expenditure, because nobody can know the result of the expenditure abroad until the accounts are examined and the books are posted up and balanced in Somerset House; and that goes on up to the 30th of September, and the audit for two months afterwards.

479. Could any system be adopted by which those who are in charge of the expenditure of money abroad should transmit accounts to the Admiralty from time to time, so as to inform the First Lord of the expenditure going on abroad?—They do transmit accounts now from time to time; I think it is every month; but those accounts are only isolated accounts individually of small amount, and they would tell you nothing until the whole of the accounts had been examined in the office.

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480. Do you think that any arrangement might be made to review the state of affairs in the last quarter of the year, so that attention might be called to the correspondence between the Grants and the expenditure?—I hardly see how any such arrangement could be made.

481. Do you think that the system of writing off excesses against what are called savings, leads to a facility of increasing the expenditure?—There is no doubt that it leads to a facility of increasing the expenditure; but it would lead to very great inconvenience if that were not done. After all, it is only an Estimate that the money is voted upon, and unexpected circumstances arise during the year which render it, in my opinion, quite necessary for the efficient conduct of the service that the Admiralty and the Treasury between them should have a certain latitude to meet emergencies as they may arise.

482. But some of these things are not emergencies; I mean, they are matters which might very well be postponed, so that the opinion of Parliament might be taken upon them in the next Session?—You might make the rule more stringent, but it would be a great inconvenience in the conduct of the business of the department if that were done. I will give the Committee an example of that. In the course of 1867–8 we appointed a committee, presided over by Sir Thomas Symonds, to inquire into the expense of the yard craft in the dockyards, and he sent in a very able report, making various suggestions, one of which was to build or purchase a number of small steamers for the purpose of carrying on the service of the victualling yards, instead of its being done as now by sailing craft. That would ultimately lead to a very great saving, and if the Admiralty had not the power, with the sanction of the Treasury, to lay down one or two of these small vessels it would be a great inconvenience and a great expense to the country.

483. Mr. *Seely.*] Would not the effect of not appropriating a surplus on one Vote to meet a deficiency upon another, be to oblige you almost necessarily to propose larger Votes?—It would have that effect to a certain extent.

484. Mr. *Liddell.*] On the other hand, does not that discretion of which you have spoken, which seems to be placed in the Board of Admiralty, of laying down ships for the purpose, it may be, of keeping the men at work, necessarily involve this consequence, that Parliament may find itself, on the presentation of the Estimate another year, committed to an expenditure of which it may possibly not approve. For instance, in the case of these yard craft, supposing Parliament, after discussion, had decided to keep up the old system of sailing vessels, instead of having small steamers, and had disapproved of the building of the small steamers, you would have said, We have laid down these vessels; part of the expenditure has been incurred for them; you must go on with them. Therefore this discretion in the Admiralty might be used in such a manner as to deprive Parliament of that proper check over expenditure which it is supposed to exercise; it would not deprive Parliament of its proper check over expenditure, because the contractor knows that he accepts the contract subject to the approval of Parliament.

485. And if Parliament were to disapprove, the contract would become null and void?—Of course the Admiralty could not pay the contractor unless the money was voted by Parliament for the purpose. But the contractors exercise good sense in these matters, and in the case of small works of this description, which are for the benefit of the service, they feel certain that Parliament will not refuse them the money.

486. That applies to the contract work; I am referring to work done in they dockyards?—Work done in the dockyards causes no increase of expenditure in the year, because a Vote is taken for the salaries of officers, and the wages of artificers, and a Vote is likewise taken for the purchase of stores; the expenditure in the dockyards therefore is defrayed out of the existing Votes; there is no supplementary Vote for that purpose.

487. Mr. *Ayrton*] Do you think it would lead to a more serious consideration of an excess of an expenditure, if the Board of Admiralty were compelled in the month of March to review its financial operations for the year, and to bring all the excesses then by way of a Supplementary Estimate under the consideration of the House of Commons, rather than to leave the matter to stand over, so that they should be considered in the month of June of the following year?—That is a question of detail on which I should like to hear the opinion of Mr. Walker; there may be some very grave objection to it, but I do not myself, at this moment, see any reason why the Admiralty should not towards the end of the financial year, call upon the principal officers to report what is the prospect of there being a saving or a deficiency in their various departments as far as they can tell at the end of the financial year.

488. Do you think that it would tend to a more careful consideration of the expense, if in the last month of the financial year all the probable excesses were brought under the consideration of the First Lord, and he were to submit them to Parliament in the shape of a supplementary Estimate?—I think it might; but the practice now is for the First Lord and the Second Lord of the Admiralty to obtain all the information they can from the various departments; take, for example, the case of the extra artificers hired to bring forward the ships in the autumn of 1867. If I had had reason to anticipate two or three months before the end of the year (at the end of the year it would have been of no use) that the money in hand under the other heads would not suffice to recoup the Vote for the additional expenditure incurred in wages, I should then have thought it my duty at once to dismiss those workmen.

489. But you will observe that, in this particular case, the Admiralty, on the 26th of March, were under the impression that they would only require a supplementary Vote of 111,000 *l.*, and the Treasury replied to them that probably they would not require that, because the savings would be sufficient to cover the deficiency?—They said that there might be savings.

490. That shows that the Treasury and the Admiralty were wholly without knowledge of the fact, that at that moment an accurate examination of the accounts would have exhibited a deficiency of 359,000 *l.*, after giving credit for all the savings?—That might be very fallacious, because it is very possible that the accounts rendered by the principal officers might show a large anticipated saving, and therefore you would go on with an expense sanctioned by the Treasury; but it might turn out, as it did in this case, that the

the anticipation was a misconception, and then you would have an excess.

491. Mr. *Sclater-Booth.*] You would have no security that a statement of the probable expenditure made even in the month of March, at the end of the financial year, was accurate, any more than one made at the commencement of the financial year?—You would have no security that it was accurate, and you would have no power then to diminish the expenditure in consequence of the information you obtained, because by that time, towards the end of March, pretty nearly all the money is spent that will be spent in the year; therefore, if the accounts showed an anticipation of a very large excess, it would be impossible to take action upon it for any practical purpose, because you could not reduce the expenditure which had been already incurred, and the time remaining would be so short, that you could not diminish the expenditure to any effective degree before the end of the year.

492. Mr. *Ayrton.*] Do you not think that there would be a greater approach to accuracy in considering the expenditure with reference to the grants towards the end of the financial year as compared with the Estimates prepared before Christmas in the preceding financial year?—Yes.

493. There would be 14 months' nearer approximation to accuracy?—Yes, there would be a more probable approximation to the Savings and Deficiencies; but, as I said before, you could not apply that information to any practical purpose, because almost all the expenditure would have been already incurred.

494. Would it not tend to greater accuracy if the obligation was imposed upon the First Lord, of submitting to Parliament in March, an Estimate of the expenditure under all the Votes, without reference to any savings upon other Votes?—You might find, at the end of the year, that the expenditure abroad was less than had been anticipated, and then Parliament would have been voting money that was not required.

495. Parliament has, under any circumstances, to vote the money sooner or later, although the means of paying the money are found from other sources now?—Yes.

496. Mr. *Sclater-Booth.*] But it may be that the money has been already voted, and then there is no occasion to vote it again at all?—Yes; if there is no deficiency, there will be no supplementary Estimate.

497. Mr. *Ayrton.*] There will be no supplementary Estimate, but Parliament is still called upon to sanction the Excesses?—Yes; the Treasury only sanctions a temporary appropriation of a saving on another Vote; but Parliament does not vote money for the purpose unless it is necessary to meet an excess upon the whole.

498. Mr. *Sclater-Booth.*] Unless it is necessary to meet a nett excess upon the whole Vote?—Yes.

499. In fact, taking the average of years, there has generally been a nett surplus, has there not?—I believe so.

500. Mr. *Algernon Egerton.*] The Secretary to the Treasury has suggested that there should be a statement of the Excesses and Deficiencies presented to Parliament in March; that would be an approximate statement, it could not be perfectly accurate?—It might be perfectly inaccurate; it could not be at all reliable.

501. Do you think that there would be any advantage whatever to the public in the presentation of such a supplementary Estimate or approximate Statement in March?—I think not. It might very probably not be worth the paper it was printed on, because you would not know what the expenditure abroad was.

502. It might give an erroneous idea of the Excesses?—Yes, certainly, and it most probably would.

503. Mr. *Fowler.*] Do you think that, on the the whole, there is any advantage in the transfer of a saving from one Vote to meet an excess upon another?—Yes; I think in a service like the Navy, which is a service of emergency, it would be very inconvenient indeed that the Treasury and the Admiralty together should not have that power of transferring savings, so long as there is no excess upon the Admiralty Votes altogether.

504. Mr. *Sclater-Booth.*] Would it not cause the Estimates to be much larger if that power did not exist?—Yes; I think in that case we should have to take a much larger margin to cover any possible excess upon every Vote.

505. Mr. *Ayrton.*] If every Vote was enhanced to cover an imaginary expenditure, the result would be that the whole Estimates presented to Parliament would be greatly increased, and the Chancellor of the Exchequer would have to provide ways and means for those greatly increased Estimates; do you not think that that circumstance would prevent the First Lord from increasing his Estimate speculatively to cover such an excess?—He must be very careful to provide adequately for the expenditure under every head; whereas, at present, it always happens that there are savings under some of the heads of which he can avail himself with the sanction of the Treasury; therefore I think, as far as the First Lord is concerned, the Estimate would be larger.

506. If it is desirable to submit the Estimate to the consideration of the House of Commons at the commencement of the financial year, is not it desirable that a departure from that Estimate should be also submitted to the House when it is exceeded?—I think in principle it is; but the objection to it is that Parliament would be voting money when it would not all be required.

507. In the month of March, would you not be in a position to know whether it would be required or not; I mean under each head?—Yes, as far as home expenditure was concerned, but you would not as regards foreign expenditure.

508. Even as regards foreign expenditure, if the accounts were sent home from time to time and kept posted up, you would be in a position to know in the month of March what it would be likely to be?—No, I think not. On the whole, Mr. Walker appears to think that it might be done to some extent by a system of forecastings; I think it might be a very good thing to lay upon the Table of the House of Commons a statement of the anticipated expenditure.

Mr. Henry William Routledge Walker, called in; and Examined.

Mr. *H. W. R. Walker.*

16 June 1869.

509. Mr. *Ayrton.*] Have you considered the possibility of reviewing the state of expenditure on the Navy in the month of March for the year that is then current?—Yes.

510. Do you think it would be practicable to arrive at a tolerably close appreciation of the exact relation of the expenditure to the Grants for the then current year in March?—If I explain to the Committee the existing arrangements by which we periodically, at the expiration of every three months, forecast the probable expenditure, consisting of that which has actually been incurred and that which is in process of being incurred, through our imprest accountants at home and abroad, but not finally notified to the office, I think you will see that our existing machinery, if properly carried out and intelligently observed, should not, as a rule, be met by such a surprise as that which has existed in the year 1867-68, except from a concurrence of causes for which no forecast can entirely provide: I allude to the exceptional expenditure which went on in Japan, and to the disturbing causes resulting from the increase in prices upon purchases of provisions away from the central depôts. About six weeks after the expiration of each quarter an account is prepared, showing the actual expenditure which has taken place in those three months. We will take, if you please, the three months from the 1st of April to the 30th of June 1867.

511. For our purpose it would be better to take the 1st of January as an illustration?—That is rather exceptional; with your permission I will leave that quarter for the present, because we deal with that in rather an exceptional way, owing to the fact of its nearness to the end of the year. I will deal with the financial year 1867-68. About the middle of August 1867, when the books have been posted, and all the expenditure finally allowed in the department under the several heads of the Appropriation Act, that expenditure is abstracted in the department; the accounts which have been received in the department relating to that year are carefully gone through, with the view of ascertaining whether there has been any abnormal expenditure as compared with precisely similar accounts for the corresponding three months of the previous year. If there have been no disturbing causes actually occurring, or known to be likely to occur, we take that as the basis of expenditure likely to come in. If there have, we take them in addition to the expenditure incurred in the previous financial year, and the two contrasted with a fourth of the Vote represent the probable condition of that three months' expenditure when the whole of it shall be recorded in the office. That process is carried on at the completion of each three months, but as the year draws near to its end, and it becomes a matter of importance to determine how far the expenditure will bear any strain, or will require any relief, then intermediately between the month of January and the month of March accounts are made out, with greater care, as regards the actual expenditure, and with close circumspection as regards the estimated expenditure, and a fair exhibit is then laid before the Board of Admiralty to enable them to determine what shall be the progress of the expenditure, whether slow or otherwise, as compared with that which has taken place throughout the year. With respect to the remaining six weeks of the year, and judging from my experience, which now extends over many years, even with that system imperfectly worked, but much more now that it is rigidly exacted, I should hold it to be a reflection upon the department in its system of accounts, and its machinery for understanding the existing liabilities, if we were unable to offer a fair approximate statement of what would be the condition of the Votes when the whole expenditure of the year should be recorded. I may observe that over a series of years, a comparison of the discrepancies which have actually occurred upon the final closing of the account, with those anticipated by the series of forecasts, has demonstrated the value and practical character of such a provision on the part of the departments. In this particular year there were these exceptional causes which have been referred to, not merely exceptional as regards ascertaining the expenditure, but in the undue advantage which was taken of the system of discretion with regard to purchases abroad. This very fact led the existing Board of Admiralty to impose much more stringent arrangements with regard to foreign expenditure, and much more exacting requirements with regard to the consumption of coal, and it was under these two heads that the great disturbing causes, producing the excess on Vote 10, section 1, occurred. With respect to section 2, the excess was owing to an exceptional matter, arising from the re-commissioning of ships in Japan, which led to very large additional expenditure. It naturally did not occur to us that that would be a great disturbing cause, and hence a slight surprise at the extent of the excess, and the consequent derangement of the Savings and Deficiencies upon the Estimates for the year; but the present Board of Admiralty have recently issued a very stringent Circular, based upon a remark made by the Treasury in their comments upon the account of 1867-68, adverting to the very large amount of expenditure that came into our books in the last few months of the year, leaving the department, to a very great extent, in ignorance as to the positive expenditure, and compelling them to fall back very much upon the speculative element of what it might be. This Circular will no doubt be carried out, and then the expenditure will come into our books much more rapidly than it has done, so that by the end of the month of February or March we ought to have, and I believe we shall have, a knowledge of the actual expenditure, which will be a better and more rel able basis than the probable expenditure. I think under these circumstances, so far as can be the case with a large department having expenditure going on all over the world, it will reflect upon the *personnel* of our department, and not upon our system, if we cannot make a very fair approximate Estimate of what will be the result of the expenditure, as compared with the Grants at the end of the year.

512. You believe that in the month of March you will be able to give a revised Estimate for the whole of the current year?—Yes.

513. Which would be practically sufficiently accurate for all the purposes of business?—Yes.

514. Mr. *Fowler.*] When did you first become practically alive to the existence of the excess?—Not until the month of October 1868. It was occasioned by foreign expenditure, and we did not get the whole of that foreign expenditure in our books until the 30th of September 1868. Until that time we are actually making the expenditure,

expenditure, and it requires a month to post it, after we have got every farthing in, before we know how much we have expended. But, as I stated before, that necessary condition of things has been, to my mind, very considerably disadvantaged by the fact that we have postponed a very large portion of our expenditure which should have gone in before.

515. Mr. *Liddell.*] I understood that you used, just now, the phrase "re-commissioning ships in Japan;" was I correct in that?—Yes.

516. May I ask whether it is the practice to put ships upon a distant station, such as the China station, out of commission on the station?—No; it is quite contrary to the practice, but there were special circumstances in this case.

517. As the gentleman charged with the responsible duties of auditing the Admiralty accounts, do you approve of that practice of putting ships out of commission, and re-commissioning them upon a station situated many thousand miles from our shores?—I should not like to answer that question.

518. Speaking as an accountant, what would you say?—There is no objection to it, provided we know it to be the policy of the Admiralty department, that they shall put ships out of commission and re-commission them abroad indifferently with at home; looked at as a mere question of expenditure, it is merely transferring the expenditure from home payments to foreign.

519. Lord *Frederick Cavendish.*] If you had presented such an Estimate as you have just been describing, in the month of March 1868, you would have shown a considerable excess of expenditure over the Estimate, but not so large a one as practically took place, would you?—At that time the excess as estimated was, as I believe Mr. Corry stated, about 115,000*l.*

520. On that one Vote, or on all the Votes together?—On the aggregate Estimates.

521. *Chairman.*] Would it be possible, do you think, to have the account of expenditure actually posted in the Admiralty, and prepared in sufficient time to have the Account of Savings and Deficiencies, and also the Appropriation Account printed and laid before Parliament within two months of the close of the financial year?—No; I can assure the Committee that we find the greatest difficulty now in getting it laid before Parliament at the time we do; it is a harassing, a distressingly harassing work, for our department, so voluminous are the accounts; if you only take the Account of Savings and Deficiencies as it is in print, it is a volume, but long before it reaches that stage there is a great deal of work to be done in checking the figures, and so on, which imposes very severe labour upon all in the department. I have no hesitation in saying that for the six weeks previous to its preparation, their hours of attendance are from 10 to 12 hours a day, and then there is a sense of possible inaccuracy resulting from the great pressure under which the work is done.

522. Take the accounts ending the 31st of March 1869, do you think it would be possible for the Savings and Deficiencies Account, and the Appropriation Account, to be laid before us before the close of this Session of Parliament?—It could not be done by any possibility. First of all, we should not have the accounts of all the expenditure. It is a point of great importance in reference to departmental expenditure, that if we make an Estimate for a given period of time, we should have as a set-off against it the expenditure for that time. I think the fact of laying the accounts before Parliament having an impaired relevancy to the Estimate would be a greater disadvantage than the postponement of it for a few weeks.

523. Mr. *Seely.*] What advantage is there in the financial year closing on the 31st of March rather than on the 31st of December?—It has always been made conformable with the fiscal year.

524. Supposing you were to close your accounts on the 31st of December, you would then be able to lay before Parliament a much more accurate account in the following Session, would you not?—No, I do not think so; and I think there would be this difference: Parliament would not be sitting when the accounts were ready, and there would be a loss of time resulting from that, because we should have the accounts ready late in the year, and that would lead to a laxity in the preparation of the accounts; whereas now we know we must work night and day to get them ready in time.

525. Mr. *Ayrton.*] It is necessary, is it not, that the Estimates should be framed as near as possible before the time when they are to be voted?—Yes; there is a continuity then between the Expense Accounts and the Cash Accounts.

526. Mr. *Liddell.*] You think, do you not, that "all postponements or explanations of vouchers rather lead to perfunctory work than to real advantage"; you have expressed that opinion before this Committee on a former occasion?—That is my opinion.

527. Do you not think that your expression of opinion applies with considerable force to labours such as these which this Committee has been engaged upon to-day; we have been inquiring into expenditure incurred a great deal more than a year ago; do you think we obtain any real check by instituting such inquiries?—I think if the province of departmental supervision, both with respect to the particular department which is spending the money, and with reference to the great Finance Department of the nation, the Treasury, be legitimately and closely exercised during the period in which the expenditure is being incurred, then this Committee, dealing as it does at the earliest moment after these accounts are prepared for Parliament with their final results, enters sufficiently early upon the inquiry so far as relates to them.

528. Do you not see any possibility of presenting these accounts for check and supervision to a Parliamentary Committee, at any earlier period?—I think not.

529. Mr. *Ayrton.*] It would seem that we must either deal with the matter at the close of the financial year to which the accounts relate, or, having regard to the time when Parliament meets and adjourns, they must stand over to the next Session, and be dealt with when Parliament meets again?—Yes, I think it would be injurious in its effects upon the business of the department, without being productive of the result which you aim at, if you interposed Parliamentary interference in the current expenditure.

530. You must deal with the matter approximately at the time, and leave the final adjustment of the accounts to be considered only as a matter of detail; or you must let it all stand over?—Yes, quite so.

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Appendix, No. 1.

STATEMENT of the Particulars of Losses Written Off as Irrecoverable, for the Year 1867-8. App. No. 1.

Item.	Date.		Amount. £. s. d.
	1867:		
1	December -	Passage Money, per Steamer "Argo" from New South Wales to England, of Captain J. Walpole D'Oyley, whilst acting as Aide-de-Camp to Lieutenant General Wynyard. This money was disallowed by the Admiralty as not being within the Regulations, but from certain explanations from the Officer it was not deemed expedient to press a Claim upon him for the Amount - - - -	100 - -
	1868:		
2	February -	Balance on Ledger Account of Lieutenant Oliver, as Acting Paymaster of a Detachment of the 1st Battalion, 12th Foot, the Officer having died without leaving any Effects - - - - - - -	2 14 1
3	February -	Balance of Monies placed to the Public Credit, in the Year 1856, in Messrs. Palmer & Greene's Bank at Lichfield, for service of the Royal Staffordshire Yeomanry Cavalry. Before the Amount was withdrawn, Palmer & Greene became Bankrupts, and the final Dividend on their Estate was not paid until April 1867, when the Balance on the Default Account was - - - - - - -	532 1 10
4	February -	Amount of Travelling Expenses twice paid to Three Officers of the British German Legion, through the inadvertence of the Foreign Office in not making a Claim for the first payment - - - - -	16 1 10
5	March - -	Balance upon the Account of J. E. K. Grogan, formerly Barrack Master at the Mauritius, irrecoverable from him in consequence of his having become destitute - - - - - - - - -	174 6 8
6	March - -	Value of Clothing and Stores deficient in the Accounts of the Cape Mounted Rifles, owing to the Default and subsequent absconding of the Quartermaster of the Regiment - - - - - - - -	190 15 -
7	June - -	Value of Clothing deficient in the Stores of the 2nd Battalion, 16th Foot, owing to the Default and Desertion of the Quartermaster of the Regiment -	133 13 8
8	July - -	Amount of Messing Contributions due by several Officers of the 3rd West India Regiment, who have left the Service - - - - - - - -	34 - 6
9	September -	Amount of Field Allowance overdrawn by Major Molesworth, late 2nd West India Regiment, who died without Effects before any Claim could be made - - - - - - - - - - -	2 6 -
10	September -	A further Amount of Value of Stores and Barrack Damages charged to this Account, consequent upon the Default and Desertion of the Quartermaster of the 2nd Battalion, 16th Foot - - - - -	304 3 1
		Total per Parliamentary Account, 1867-8 - £.	1,490 2 8

ABSTRACT of ACCOUNT showing the ORDINARY EXPENDITURE for ARMY SERVICES, and the 1868; together with the DISBURSEMENTS on account of the ABYSSINIAN EXPEDITION, and the Charges FUNDS for the payment of LOCAL MILITIA, and other Services arising from the Native Insurrection in

Votes.	VOTES.	Grants, 1867–68. £. s. d.	Appropriations in Aid, 1867–68. £. s. d.	TOTAL. £. s. d.
	EFFECTIVE SERVICES.			
	1. REGULAR FORCES.			
1	General Staff, and Regimental Pay, Allowances and Charges	5,839,450 – –	– – –	5,839,450 – –
2	Commissariat Establishments, Services, and Movement of Troops	1,290,000 – –	– – –	1,290,000 – –
3	Clothing Establishments, Services, and Supplies	570,000 – –	603,910 – –	1,173,910 – –
4	Barrack Establishments, Services, and Supplies	646,000 – –	– – –	646,000 – –
5	Divine Service	42,000 – –	– – –	42,000 – –
6	Martial Law	21,000 – –	– – –	21,000 – –
7	Medical Establishments, Services, and Supplies	275,600 – –	7,100 – –	282,700 – –
	2. AUXILIARY FORCES.			
8	Disembodied Militia	904,850 – –	– – –	904,850 – –
9	Yeomanry Cavalry	88,000 – –	– – –	88,000 – –
10	Volunteers	361,000 – –	– – –	361,000 – –
11	Enrolled Pensioners and Army Reserve Force	68,000 – –	– – –	68,000 – –
	3. STORES.			
12	Manufacturing Departments	1,162,000 – –	171,598 – –	1,334,098 – –
13	Warlike Stores	393,000 – –	200,938 – –	593,938 – –
	4. WORKS AND BUILDINGS.			
14	Superintending Establishment of, and Expenditure for Works, Buildings, and Repairs at Home and Abroad	843,400 – –	– – –	843,400 – –
	5. OTHER SERVICES.			
15	Military Education	165,000 – –	– – –	165,000 – –
16	Surveys of the United Kingdom	88,000 – –	– – –	88,000 – –
17	Miscellaneous Services	149,200 – –	– – –	149,200 – –
18	Administration of the Army	218,600 – –	– – –	218,600 – –
	NON-EFFECTIVE SERVICES.			
19	Rewards for Distinguished Services	26,100 – –	– – –	26,100 – –
20	Pay of General Officers	72,000 – –	– – –	72,000 – –
21	Pay of Reduced and Retired Officers	462,800 – –	– – –	462,800 – –
22	Widows' Pensions and Compassionate Allowances	158,600 – –	– – –	158,600 – –
23	Pensions and Allowances for Wounds	25,200 – –	– – –	25,200 – –
24	In-Pensions	35,800 – –	– – –	35,800 – –
25	Out-Pensions	1,186,800 – –	700 – –	1,187,500 – –
26	Superannuation Allowances	136,000 – –	– – –	136,000 – –
27	Disembodied Militia	23,000 – –	– – –	23,000 – –
	Amount written off as Irrecoverable, being Balances due from sundry Persons	– – –	– – –	– – –
	Net Amount realized in Excess of the Estimated Appropriations in Aid	– – –	90,350 7 1	90,350 7 1
	£.	15,252,200 – –	1,074,596 7 1	16,326,796 7 1
	Proportion of the Vote for defraying the Extraordinary Expenses of the Abyssinian War	400,000 – –	– – –	400,000 – –
	Excess of Expenditure beyond the Amount Estimated £. 1,711,141 1 4			
	Less,— Amount realized in Excess of the Estimated Appropriations in Aid, and the Transfer from Votes of Credit 996,250 1 4			
	Net Excess defrayed from the Votes of Credit for the Abyssinian War (authorized to be transferred to Army Funds by Treasury Letter, 30th December 1868)	714,891 – –	– – –	714,891 – –
	Proportion of the Vote granted to make good the Advances from the Treasury Chest in New Zealand, and Army Funds on account of the Expenses arising from the Native Insurrection	505,899 14 3	– – –	505,899 14 3
	Amount allowed to the Colony of New Zealand in repayment of the Cost of Subsistence of Men confined in Civil Gaol (1863). Part of the sum of 3,040 *l.* 2 *s.* 1 *d.* shown as the Surplus on Vote 6—Administration of Martial Law—now withdrawn to meet the Amount deducted from the Gross Charge on account of the New Zealand War. (*See* also p. 152 of the Statement of Savings and Deficiencies, in the sum of 505,955 *l.* 16 *s.* 9 *d.*)	– – –	– – –	– – –
	£.	16,872,990 14 3	1,074,596 7 1	17,947,587 1 4

Net Saving upon Ordinary

Expenditure on account of the Abyssinian and New Zealand War, and discharged

SURPLUSES and DEFICIENCIES on the GRANTS for the same during the Year ended the 31st March arising from the Adjustment of the ADVANCES from the TREASURY CHEST in *New Zealand*, and ARMY that Colony.

Expenditure Chargeable against Ordinary Grants.	Savings On Ordinary Grants.	Deficiencies On Ordinary Grants.	Extra Expenditure for Abyssinian War.	Extra Expenditure for New Zealand War.	Total Extra Expenditure.	Net Saving.	Net Deficiency.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
5,990,895 7 4	- -	151,445 7 4	17,443 13 5	101,775 9 11	119,219 3 4	- - -	270,664 10 8
1,215,329 15 7	74,670 4 5	- -	933,543 9 11	284,776 19 7	1,218,320 9 6	- - -	1,143,650 5 1
1,210,967 - 9	- -	37,057 - 9	136,991 3 9	43,139 15 2	180,130 18 11	- - -	217,187 19 8
657,530 9 10	- -	11,530 9 10	9,249 17 11	12,074 3 11	21,324 1 10	- - -	32,854 11 8
46,448 7 -	- -	4,448 7 -	483 5 7	- -	483 5 7	- - -	4,931 12 7
17,959 17 11	*3,040 2 1	* *See* Withdrawal at end of Statement	149 - -	- -	149 - -	2,891 2 1	—
269,177 19 -	13,522 1 -	- -	27,783 9 11	456 6 8	28,239 16 7	- - -	14,717 15 7
816,521 10 9	88,328 9 3	- -	- - -	- -	- - -	88,328 9 3	—
89,319 15 5	- -	1,319 15 5	- - -	- -	- - -	- - -	1,319 15 5
367,419 19 1	- -	6,419 19 1	- - -	- -	- - -	- - -	6,419 19 1
48,792 14 5	19,207 5 7	- -	- - -	- -	- - -	19,207 5 7	—
1,245,013 17 1	89,084 2 11	- -	- - -	6,202 4 5	6,202 4 5	82,881 18 6	—
660,575 15 8	- -	66,637 15 8	127,069 11 8	25,317 9 -	152,387 - 8	- - -	219,024 16 4
841,283 8 4	2,116 11 8	- -	17,944 5 1	32,426 5 9	50,370 10 10	- - -	48,253 19 2
165,336 2 1	- -	336 2 1	- - -	- -	- - -	- - -	336 2 1
93,994 6 10	- -	5,694 6 10	- - -	- -	- - -	- - -	5,694 6 10
134,774 15 6	14,425 4 6	- -	1,408 5 10	79 15 -	1,488 - 10	12,937 3 8	—
220,078 16 9	- -	1,478 16 9	- - -	- -	- - -	- - -	1,478 16 9
26,889 15 7	- -	789 15 7	- - -	- -	- - -	- - -	789 15 7
68,872 4 -	3,127 16 -	- -	- - -	- -	- - -	3,127 16 -	—
446,554 6 2	16,245 13 10	- -	- - -	- -	- - -	16,245 13 10	—
155,609 15 3	2,990 4 9	- -	- - -	- -	- - -	2,990 4 9	—
22,119 19 6	3,080 - 6	- -	- - -	- -	- - -	3,080 - 6	—
35,855 1 1	- -	55 1 1	- - -	- -	- - -	- - -	55 1 1
1,168,377 16 -	19,122 4 -	- -	- - -	- -	- - -	19,122 4 -	—
131,555 9 7	4,444 10 5	- -	- - -	- -	- - -	4,444 10 5	—
20,527 19 8	2,472 - 4	- -	- - -	- -	- - -	2,472 - 4	—
1,490 2 8	- -	1,490 2 8	- - -	- -	- - -	- - -	1,490 2 8
- - -	90,350 7 1	- -	- - -	- -	- - -	90,350 7 1	—
16,169,272 8 10	446,226 18 4	288,703 - 1	*1,272,066 3 1	506,248 9 5	1,778,314 12 6	348,078 16 -	1,968,869 10 3
- - -	- -	- -	- - -	- -	- - -	400,000 - -	—
			Deduct,— 1,114,891 - -	- -			
- - -	- -	- -	- - -	- -	- - -	714,891 - -	—
					Deduct,— 1,620,846 16 9	—	
- - -	- -	- -	- - -	- -	- - -	505,899 14 3	—
		Add,—		Deduct,—			
- - -	- -	56 2 6		505,955 16 9	—	—	—
16,169,272 8 10	446,226 18 4	288,759 2 7	157,175 3 1	292 12 8	157,467 15 9	1,968,869 10 3	1,968,869 10 3

Grants - - - £. 157,467. 15. 9.

by the Transfers for the Vote of Credit - - - £. 157,467. 15. 9.

* Detail Paper annexed.

App. No. 1.

EXPLANATORY PAPER, showing Payments out of Army Grants on account of the Expenses connected with the Abyssinian Expedition, 1867-8.

	£. s. d.	£. s. d.
Vote 1. Pay, &c. of General Staff	8,723 9 11	
„ 1. Pay, &c., Garrison and Staff Serjeants, &c.	4,015 10 1	
„ 1. Regimental Pay	1,991 7 4	
„ 1. Good Conduct Pay	2 1 3	
„ 1. Pay, District Clerks, Royal Artillery and Royal Engineers	3 8 9	
„ 1. Instruction in Engineering	657 – –	
„ 1. Instruction in Musketry	50 15 –	
„ 1. Depôt Battalions	285 11 6	
„ 1. Pay, Veterinary Staff	71 17 6	
„ 1. Materials and Labour for Field Works	251 1 8	
„ 1. Working Pay of Non-Commissioned Officers, &c. Fire Brigade	14 19 3	
„ 1. Travelling of Officers without Routes	1,376 11 2	
		17,443 13 5
„ 2. Pay, &c., Commissariat Staff	6,552 2 8	
„ 2. Pay, Commissariat Artificers	59,833 13 4	
„ 2. Cost of Provisions	180,673 18 11	
„ 2. Cost of Forage	203,778 9 –	
„ 2. Allowances to Wives and Children of Men in Colonies	69 11 6	
„ 2. Movement of Troops	12 19 7	
„ 2. Miscellaneous	87,480 8 7	
„ 2. Commissariat Transport in Colonies	395,142 6 4	
		933,543 9 11
„ 3. Manufactured Supplies	136,541 – 2	
„ 3. Materials	86 1 2	
„ 3. Compensation in lieu of Clothing	185 11 8	
„ 3. Materials for Packing	102 11 6	
„ 3. Freight of Clothing	75 19 3	
		136,991 3 9
„ 4. Salaries and Wages	1 5 4	
„ 4. Purchase of Barrack Furniture	309 3 7	
„ 4. Purchase of Barrack Stores	949 3 –	
„ 4. Cost of Fuel and Light	7,566 19 10	
„ 4. Miscellaneous	36 – –	
„ 4. Rents, Rates, and Taxes	387 6 2	
		9,249 17 11
„ 5. Pay, Commissioned Chaplains	11 19 –	
„ 5. Pay of Officiating Clergy	471 6 7	
		483 5 7
„ 6. Allowance to Acting Judge Advocates	149 – –	
		149 – –
„ 7. Pay, Medical Staff	1,766 2 6	
„ 7. Pay, Private Medical Practitioners	96 11 6	
„ 7. Cost of Medicines	12,445 5 11	
„ 7. Diets and Medical Comforts	9,833 4 3	
„ 7. Wages	364 12 4	
„ 7. Hospital Stores	1,841 1 8	
„ 7. Cost of Meteorological Instruments	45 11 1	
„ 7. Cost of Fuel and Light	– 3 6	
„ 7. Miscellaneous	1,390 17 2	
		27,783 9 11
„ 13. Miscellaneous Expenditure, Storehouses	352 6 7	
„ 13. Wages	896 3 8	
„ 13. Pay, Store Staff	672 – 4	
„ 13. Purchase of Camp Equipage	10,935 18 9	
„ 13. Purchase of Accoutrements	3 18 –	
„ 13. Miscellaneous Stores	105,550 – –	
„ 13. Materials for Packing	6,649 13 5	
„ 13. Freight of Stores	2,009 10 11	
		127,069 11 8
„ 14. Special Engineer Services	17,944 5 1	
		17,944 5 1
„ 17. Advertisements	182 17 7	
„ 17. Miscellaneous	1,225 8 3	
		1,408 5 10
	£.	1,272,066 3 1

Appendix, No. 2.

PAPER handed in by Mr. *Beeby*, 11 June 1869.

ABSTRACT ACCOUNT showing the ORDINARY EXPENDITURE for NAVAL SERVICES, and the SURPLUSES and DEFICIENCIES on the GRANTS for the same, during the Year ended 31 March 1868, together with the Disbursements on Account of the ABYSSINIAN EXPEDITION.

Vote.	SERVICE.	Grants, 1867-68.	Ordinary Expenditure (excluding Abyssinia).	Saving on Ordinary Grants.	Deficiency on Ordinary Grants.	Abyssinian Expedition, 1867-68. Defrayed out of Ordinary Grants.	Defrayed out of Vote of Credit.	Total.
	NAVY EFFECTIVE SERVICES:	£.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1	Wages to Seamen, &c.	2,900,952	2,926,557 16 7	24,394 3 5	—	—	—	—
	Supplementary Estimate	50,000						
2	Victuals for Seamen, &c.	1,241,614	1,338,667 17 1	- - -	97,053 17 1	—	—	—
3	Admiralty Office	176,018	180,049 9 6	- - -	4,031 9 6	- -	74 19 -	74 19 -
4	Coast Guard Service	267,067	238,317 13 1	28,749 6 11	—	—	—	—
5	Scientific Branch	65,106	59,348 16 6	5,757 3 6	- - -	50 19 -	- - -	50 19 -
6	Dockyards at Home and Abroad	1,375,368	1,424,629 3 2	- - -	49,261 3 2	- -	719 13 2	719 13 2
7	Victualling Yards, &c. - ditto	86,395	85,852 2 11	542 17 1	- - -	111 4 9	- - -	111 4 9
8	Medical Establishments - ditto	62,686	61,323 16 8	1,362 3 4	- - -	13 10 -	- - -	13 10 -
9	Marine Divisions	17,448	17,580 14 2	- - -	132 14 2	—	—	—
10	Section I.—Naval Stores, &c.	855,511	1,085,926 9 3	- - -	230,415 9 3	- -	22,110 14 4	22,110 14 4
	Section II.—Steam Machinery	860,559	859,100 6 5	1,458 13 7	- - -	1,458 13 7	129 16 5	1,588 10 -
11	New Works, &c.	888,588	862,197 19 3	26,390 - 9	—	—	—	—
12	Medicines, &c.	80,664	87,736 5 2	- - -	7,072 5 2	- -	4 11 5	4 11 5
13	Martial Law and Law Charges	21,332	17,811 8 11	3,520 11 1	—	—	—	—
14	Miscellaneous Services	168,450	193,996 5 3	- - -	25,546 5 3	- -	383 19 9	383 19 9
	NAVY NON-EFFECTIVE SERVICES:							
15	Half-pay, &c.	704,937	690,776 8 10	14,160 11 2	—	—	—	—
16	Section I.—Military Pensions, &c.	528,667	532,165 2 -	- - -	3,498 2 -	—	—	—
	Section II.—Civil Pensions, &c.	218,915	209,429 17 9	9,485 2 3	—	—	—	—
	SERVICE OF OTHER DEPARTMENTS:							
17	Army Department (Conveyance of Troops)	405,976	469,351 8 9	- - -	63,375 8 9	- -	1,401,940 17 6	1,401,940 17 6
—	Amount written off as Irrecoverable	-	344 16 11	- - -	344 16 11	—	—	—
	£.	10,976,253	11,341,163 18 2	115,820 13 1	480,731 11 3	1,634 7 4	1,425,364 11 7	1,426,998 18 11

NET DEFICIENCY - - - £. 364,910 18 2

£. 1,426,998 18 11

Admiralty, 11 June 1869.

J. Beeby,
Accountant General of the Navy.

Appendix, No. 3.

App. No. 3.

PAPER handed in by Colonel *John W. C. Williams*, R.M.A., 11 June 1869.

ORDER in COUNCIL relative to the Increase of Pay to Non-Commissioned Officers and Privates of Royal Marines and Royal Marine Artillery.

At the Court at Osborne House, Isle of Wight, the 3rd day of August 1867.

PRESENT:

THE QUEEN'S Most Excellent Majesty in Council.

WHEREAS there was this day read at the Board a memorial from the Right Honourable the Lords Commissioners of the Admiralty, dated the 26th July 1867, in the words following, viz.:—

"Whereas your Majesty has been graciously pleased by your Royal Warrant, dated the 29th day of June 1867, to grant to the non-commissioned officers and privates of your Majesty's Army an increase of two-pence a day to the existing rates of pay as fixed by your Royal Warrant of the 3rd day of February 1866, and also to grant a further addition of one penny a day to the pay of all men who have completed, or who shall have completed, a first period of limited service, and shall now or hereafter be serving in your Majesty's Army; the increase in both cases to commence on the 1st day of April last; we beg leave most humbly to recommend that your Majesty will be graciously pleased by your Order in Council to extend the same boon to the non-commissioned officers and privates of your Majesty's corps of Royal Marines and Royal Marine Artillery. The Lords Commissioners of your Majesty's Treasury have signified their concurrence in what is herein proposed."

Her Majesty having taken the said memorial into consideration, was pleased, by and with the advice of Her Privy Council, to approve of what is therein proposed. And the Right Honourable the Lords Commissioners of the Admiralty are to give the necessary directions herein accordingly.

(signed) *Arthur Helps.*

Appendix, No. 4.

CHATHAM DOCKYARD EXTENSION.

A STATEMENT showing the Amount of Money which the Admiralty was authorised to expend in the extension of CHATHAM YARD, the Amount of the CONTRACTS already entered into, and the Amount of Money paid upon the same; prepared for the Committee on Public Accounts, in reply to Mr. Seely's Question, 11 June 1869.

	£.	s.	d.
1st.—AMOUNT AUTHORISED - - - - - - - - - - - - - - - -	1,250,000	–	–
See first column of Navy Estimates, and the Note in the Estimates against this item, viz., "This amount is dependent upon the number of convicts available for the work, and will require to be increased, the number engaged upon the work having hitherto fallen far short of the number upon which the Estimate was based."			
The Act 28 & 29 Vict. cap. 51, authorised the Admiralty to enter into contracts for the execution of portions of these works, at a total estimated expenditure of 1,096,120 *l.*			
2nd.—AMOUNT OF THE CONTRACTS ALREADY ENTERED INTO:			
A contract for constructing two basins and two docks has been entered into with Mr. Antonio Gabrielli, under the authority of the Act above quoted.			
The contract is dated 18 April 1867, and payment is to be made at a schedule of rates, the amount being within the sum authorised under the Act.			
A copy of the contract has been laid on the Table of the House of Commons.			
TOTAL AUTHORISED - - - £.	1,250,000	–	–
3rd.—THE AMOUNT OF MONEY PAID UPON THE SAME:			
The amount paid to Mr. Gabrielli, under his contract of 18 April 1867, to this date is - -	278,800	–	–
In addition to the foregoing, a contract, dated 15 February 1867, has been entered into with Messrs. J. H. Ball & Co., for the construction of a public wharf at Gillingham (compulsory under the Act 24 & 25 Vict. cap. 41), for the sum of 33,632 *l.*, with a schedule of prices for additional works which could not be estimated, and the amount of which is not yet ascertained.			
The Payments under this contract have amounted to - - - - - - - - - -	42,000	–	–
Besides the work done under the contracts, there have been supplies made under agreements or under orders issued by the Director of Works, by the authority of the Lords Commissioners of the Admiralty, to enable the part of the work which is being executed by convicts to be carried on.			
Including the amount expended for the purchase of property, and various incidental expenses, the payments under this head have amounted to - - - - - - - - - - -	436,160	13	6
TOTAL EXPENDITURE - - - £.	756,960	13	6

SUMMARY.

	£.	£.	s.	d.	
Amount authorised - - - - - - - - - - - - - - - - - -					1,250,000 – –
Expended under contract - - - - - - - - - -	278,800				
	42,000				
		320,800	–	–	
„ under agreements, orders, &c. - - - - - - - - -		436,160	13	6	
					756,960 13 6
BALANCE - - - £.					493,039 6 6

Admiralty, 22 June 1869.

J. Beeby,
Accountant General of the Navy.

Appendix, No. 5.

App. No. 5.

PAPER put in by Mr. *Blackwood*, 23 June 1869.

BRITISH EMBASSY HOUSE, PARIS.—1867–8.

VOTE for Casual and Ordinary REPAIRS of the BUILDINGS and REPAIRS of FURNITURE and FITTINGS in the Year 1867–8 - - - - - £. 1,385

DETAILED STATEMENT of the Purposes to which the Money was applied:

	£.	£.
Supply of gas		40
Water rate		29
Fire insurance		26
Mason: ordinary repairs, &c., of Calorifères; repairs of roofs and gutters; sweeping smoke flues, &c.; repair of courts and stableyards		232
Carpenter		68
Upholsterer: ordinary repairs to furniture; taking up, beating, &c. carpets; washing curtains, covers, &c., washing blinds; carding, &c., mattresses		292
Plumber: ordinary repairs to water-service tanks, water closets, &c.		136
Painter and glazier: ordinary repairs, cleaning windows, &c		260
Locksmith and blacksmith		84
Bellhanger: ordinary repairs, electric batteries, &c.		28
Labourers in pay of the Board		116
Supply of mats, brushes, sponges, &c.		40
Emptying cesspools		7
Cleaning streets		7
Winding clocks, &c.		8
Rat destroyer		2
Oil and candles 3 *l.*, stationery 3 *l.*		5
Repair filter 1 *l.*, repair candelabra 3 *l.*		4
	£.	1,384

	£.	£.
VOTE 1867–8.—Casual and ordinary repairs		1,385
Salary of clerk of works		185
	£.	1,570

	£.	£.
Expenditure as above		1,384
Extra works consequent on change of Ambassador, unforeseen when Estimate was prepared (sanctioned by Treasury):		
New stoves and ovens	430	
Drainage of kitchen	200	
Re-papering rooms	95	
New carpets	150	
Drawing room	535	
Ambassador's bureau	75	
Private Secretary's room	80	
Waiting room, cleaning	35	
Tables	120	
State bedstead	80	
Sundries	75	
	1,245	
Further works, papering	140	
		2,015
		3,399
Add,—clerk of works' salary		185
	£.	3,584

There is a slight difference between the Total as shown above, and that shown by the Comptroller and Auditor General. This arises from the above Statement being made up partly of actual, partly of estimated expenditure (sanctioned by Treasury), while the Statement of the Comptroller and Auditor General is that of actual expenditure. I presume the Estimate for additional works sanctioned by the Treasury was slightly exceeded.

Appendix, No. 6.

AN ACCOUNT of EXPENSES incurred in connection with the ROYAL NAVAL REVIEW at *Spithead*, in honour of the SULTAN, in July 1867, as nearly as can be determined. App. No. 6.

SERVICE.	AMOUNT. £	s.	d.
Hire of steamships for visitors	1,750	–	–
Refreshments supplied to Her Majesty's ships	1,520	–	6
Travelling expenses of officers, &c., and conveyance by special trains of visitors, &c.	956	1	3
Railway platform for visitors at Portsmouth	73	4	4
Grand stand for visitors	29	1	3
Extra cost of general mess of "Serapis"	360	–	–
Approximate expenditure of coals at Portsmouth	3,000	–	–
„ „ oils, &c.	1,000	–	–
Expenditure of oil for lighting, candles, &c., and breakage of glass and other articles of officers' mess traps	107	4	8
Wages of men employed attending ships to and from jetty at Portsmouth	87	2	6
TOTAL £.	8,882	14	6

Admiralty, 3 July 1869.

J. Beeby,
Accountant General of the Navy.

APPENDIX

TO

REPORTS

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS

Ordered, by The House of Commons, *to be Printed,*
18 *March* and 23 *June* 1869.

87—I.

THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
7 *July* 1869.

Monday, 1*st March* 1869.

Ordered, THAT the Committee of Public Accounts do consist of the following Members:—

Mr. Ayrton.
Mr. Algernon Egerton.
Mr. Pollard-Urquhart.
Mr. Graves.
Mr. Seely.
Mr. Liddell.
Mr. William Fowler.
Lord Frederick Cavendish.
Mr. Sclater-Booth.

Wednesday, 17*th March* 1869.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Thursday, 18*th March* 1869.

Ordered, THAT the Committee have power to report their Opinion and Observations, from time to time, to The House.

Friday, 25*th June* 1869.

Ordered, THAT the Committee have power to Report the Minutes of Evidence taken before them, from time to time, to The House.

REPORT - - - - - - - - - - - - p. iii
PROCEEDINGS OF THE COMMITTEE - - - - - - p. v
MINUTES OF EVIDENCE - - - - - - - - p. 1

THIRD REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the matters to them referred, and have agreed to the following THIRD REPORT:—

1. YOUR COMMITTEE since making their last Report have examined the appropriation accounts of the sums granted by Parliament for certain of the Civil Services and for the Revenue Departments for the year ending 31st March 1868, together with the reports of the Comptroller and Auditor General, and the Treasury Minute thereon. They have also had submitted to them like accounts and reports as regards the Consolidated Fund, the Woods and Forests, and Greenwich Hospital Estates.

2. They observe that out of the votes comprised in Class I. of the Civil Services, appropriation accounts have been rendered of 17, cash accounts of 5, neither cash nor appropriation accounts have been received of 3, while no issue was made on account of one of the votes.

3. Of the votes comprised under Classes 2, 3, 4, 5, 6, and 7, appropriation accounts have been rendered of only 8, cash accounts of 80, while neither cash nor appropriation accounts have been received of the remaining 48.

4. Appropriation accounts of the Customs and Inland Revenue and Post Office, extending to both the effective and non-effective services, have been rendered and reported on by the Auditor General.

5. Some of the appropriation accounts not having been prepared in the same form as the Estimates, the statement of the expenditure was rendered in such a manner as to make any comparison of the objects on which the money was spent with the purposes for which it was voted by Parliament extremely difficult.

6. Your Committee, on taking evidence on these points, had their attention called to the fact, that some delays and informalities were incidental to the transitional state of the regulations concerning the public accounts which prevailed during the year 1867–8; but it was shown that arrangements were being made to secure the rendering of appropriation accounts of all the votes in future years, and that the expenditure under each sub-head of the vote specified in the estimate would be stated.

7. Your Committee observe with satisfaction that the total amount of the savings is considerably greater than that of the excesses. But in the latter, though they were few in number, there were some points that appeared to require explanation. Some of the excesses were shown to be merely payments under votes for previous years, and would probably have been comprised in the estimates for the year under consideration, if the appropriation form of accounts had been longer in use; while in other cases, such as the excess of 2,038*l.* spent on the British Embassy House at Paris beyond the sum of 1,570*l.* voted by Parliament, exceptional circumstances have been alleged in justification of the outlay. Your Committee, however, feel it necessary to draw the attention of the House to this account in detail, and to express their opinion that the greater part of the additional works therein specified should have been made the subject of estimate. Their attention has been further directed to the sums brought to charge on account of the Paris Exhibition. Though these sums do not exceed the estimates, the accounts relating thereto are still imperfect,

some items wanting vouchers and receipts, and others appearing to require further explanation.

8. Your Committee observe, that in the Inland Revenue Department and the Post Office an excess of expenditure has occurred on some heads from its having been found necessary to increase the establishment beyond that provided for in the estimate. They are of opinion that in all such cases involving a permanent increase of expenditure, an explanatory statement showing the necessity of such increase in the department, should appear with the accounts. In the Post Office accounts their attention has been called to the subject of void money orders, the money derived from which is stated to be at present applied to the insurance of the lives of certain officers in the department, the payment of bad debts of postmasters, which their sureties cannot pay, and occasionally for reimbursing the public for losses on money orders in particular cases. Your Committee are agreed that these moneys had better be paid over as extra receipts.

9. With regard to the Consolidated Fund accounts, the only question that appeared to them to require particuar attention was raised by the Comptroller and Auditor General, namely, whether there is any public advantage in subjecting the accounts of the Bank of England for the distribution of dividends to examination in detail by his office, or whether the objects of Parliament are not sufficiently answered by the records afforded in the accounts submitted annually to the House of Commons, and the certificate required by Section 21 of the Exchequer and Audit Act. A competent and experienced witness having been examined on the subject, replied that he would not like to give an opinion without looking into the mode in which the Bank of England keep their accounts, and ascertaining what control and check there is that the right sum on account of unpaid dividends reaches the Exchequer. Your Committee, therefore, recommend that this inquiry should be carried out by the Comptroller and Auditor General in conjunction with the Treasury without further delay.

10. The account of Greenwich Hospital being only a cash account, does not show clearly the actual income of the Hospital, and the charge thereon for the year. Your Committee have, therefore, caused an account to be prepared for this purpose, which they have appended to their Report, and from which it appears that the surplus income for the year ending the 30th March 1868 was 12,411 *l.*

11. The accounts of the Commissioners of Woods and Forests contain numerous items of expenditure, of which a part are for salaries and the expenses of officers, and the rest for disbursements in improving the landed estate of the Crown ; none of this expenditure is voted by Parliament, whilst at the same time a large amount is voted by Parliament for the official establishment and expenses of the Commissioners of Woods and Forests. Your Committee were informed that this mode of dealing with the expenditure was settled in the year 1851, when the separation of the expenditure from the receipts of public moneys had not been so fully carried out as at present, and the practice of voting the public expenditure had not been so generally adopted. Your Committee, therefore, recommend that the present mode of dealing with the expenditure of the department of Woods and Forests should be again considered by Her Majesty's Government.

12. Your Committee observe that nothing has been done to give effect to the recommendation of the Committee of last year, that the subject of the audit of the naval and military accounts should be investigated by an official Committee during the recess. Your Committee are of opinion that the relations of the audit of the Comptroller and Auditor General, and the internal examination by the chief departments of account of their expenditure, might with advantage be considered by Her Majesty's Government before the commencement of the next Session ; and in the meantime your Committee defer the public examination of the subject.

7 *July* 1869.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 30*th June* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Fowler.	Mr. Seely.
Lord F. Cavendish.	Mr. Liddell.
Mr. Ayrton.	Mr. Egerton.

Mr. *G. Russell*, Mr. *H. R. Williams*, Sir *W. Dunbar*, Bart., Mr. *M. H. Foster*, C.B., Mr. *F. Gripper*, Mr. *George Chetwynd*, and Mr. *W. Court*, severally examined.

The Committee discussed the Woods and Forests, and Greenwich Hospital Accounts.

[Adjourned till Friday next, at Three o'clock.

Friday, 2*nd July* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Liddell.	Lord F. Cavendish.
Mr. Fowler.	Mr. Ayrton.
Mr. Seely.	

Mr. *Gore* and Mr. *Beeby* severally examined.

The Committee deliberated as to a Report.

[Adjourned till Monday next, at half-past Two o'clock.

Monday, 5*th July* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Ayrton.	Mr. Sclater-Booth.
Lord F. Cavendish.	Mr. Egerton.
Mr. Liddell.	

The Committee further deliberated as to a Report.

[Adjourned till Wednesday next, at half-past Two o'clock.

Wednesday, 7th July, 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART in the Chair.

Mr. Sclater-Booth.	Mr. Liddell.
Mr. Fowler.	Mr. Ayrton.
Mr. Egerton.	Lord F. Cavendish.

DRAFT REPORT proposed by the Chairman, read the first time, as follows:—

"1. Your Committee since making their last Report have looked over the appropriation accounts of the sums granted by Parliament for certain of the Civil Services and for the Revenue Departments for the year ending 31st March 1868, together with the reports of the Comptroller and Auditor General, and the Treasury Minute thereon. They have also had submitted to them like accounts and reports as regards the Consolidated Fund, the Woods and Forests, and Greenwich Hospital Estates.

"2. They observe that out of 27 votes comprised in Class I. of the Civil Services, appropriation accounts have been rendered of 17, cash accounts of nine, neither cash nor appropriation accounts have been received of three, while no issue was made on account of one of the votes.

"3. Of the votes comprised under Classes 2, 3, 4, 5, 6, and 7, appropriation accounts have been rendered of only nine, cash accounts of 80, while neither cash nor appropriation accounts have been received of the remaining 48.

"4. Appropriation Accounts of the Customs and Inland Revenue and Post Office, extending to both the effective and non-effective services, have been rendered and reported on by the Auditor General.

"5. In some of the appropriation accounts the statement of the expenditure was rendered in such a form as to make any comparison of the objects on which the money was spent with the purposes for which it was voted by Parliament, extremely difficult.

"6. Your Committee, in taking evidence, had their attention called to the fact that some delays and informalities were almost unavoidable in the transitional state of the regulations concerning the public accounts which prevailed during the year 1867–8; but they were informed that arrangements were being made to secure the rendering of appropriation accounts of all the votes in future years, and that in these accounts the expenditure under each sub-head of the vote specified in the estimate shall be stated.

"7. Your Committee observe with satisfaction that the total amount of the savings considerably exceeds that of the deficiencies. But in the latter, though they were few in number, there were some things that appeared to them to require explanation. Some of the excesses were shown to be merely payments under votes for previous years, and would probably have been comprised in the estimates for the year under consideration, if the appropriation form of accounts had been longer in use; while others have been incurred on the sole authority of the Board of Works, for which your Committee think that the additional sanction of the Treasury should have been obtained. They wish particularly to call attention to the sum of 2,038 *l.* spent on the British Embassy House at Paris, in addition to that of 1,570 *l.* already voted by Parliament. They have had before them the accounts relating to both the former and the latter of these sums, and they feel it to be their duty to bring under the special notice of the House the character of these accounts, which they have appended to their Report for its information. They are decidedly of opinion that the additional works should not have been made at the public cost without the sanction of Parliament. Their attention has been further directed to the sum brought to charge on account of the Paris Exhibition. Though these sums do not exceed the estimate, the accounts relating thereto are still imperfect, some wanting vouchers and receipts, and others appearing to require further explanation.

"8. Your Committee observe, that in the Inland Revenue Department and the Post Office, an excess of expenditure has occurred on some heads from its having been found necessary to increase the establishment beyond that provided for in the estimate. They are of opinion that in all such cases the correspondence with the Treasury relative to the necessity of such increase should appear with the accounts. In the Post Office accounts their attention has been called to the subject of void money orders, the money derived from which is stated to be at present applied to the insurance of the lives of post officers, the payment of bad debts of postmasters, which their sureties cannot pay, and occasionally for reimbursing the public for losses on money orders in particular cases. They are agreed that these moneys had better be paid over as extra receipts.

"9. With regard to the Consolidated Fund accounts, the only question that appeared to them to require particular attention was raised by the Comptroller and Auditor General, namely,

namely, whether there is any public advantage in subjecting the accounts of the Bank of England for distribution of dividends to examination at his office, or whether the objects of Parliament are not sufficiently answered by the records afforded in the accounts submitted annually to the House of Commons, and the certificate required by Section 21 of the Exchequer and Audit Act. A competent and experienced witness having been examined on the subject, replied that he would not like to give an opinion without looking into the mode in which the Bank of England keep their accounts, and ascertaining what control and check there is that the right sum on account of unpaid dividends reaches the Exchequer. Your Committee, therefore, reserve the question for further consideration."

Motion made, and Question, That the Draft Report proposed by the Chairman be now read a second time, and considered, paragraph by paragraph,—put, and *agreed to.*

Report read, amended, and *agreed to*:—Question, That this Report, as amended, be the Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with Minutes of Evidence, and an Appendix.

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MINUTES OF EVIDENCE.

Wednesday, 23rd June 1869.

MEMBERS PRESENT:

Mr. Ayrton.
Lord Frederick Cavendish.
Mr. Algernon Egerton.
Mr. Liddell.
Mr. Pollard-Urquhart.
Mr. Sclater-Booth.
Mr. Seely.

WILLIAM POLLARD-URQUHART, Esq., in the Chair.

Mr. Stevenson A. Blackwood, called in; and Examined.

Mr. *S. A. Blackwood.*

23 June 1869.

531. *Chairman.*] Will you state what is your official position?—I am a first-class Clerk in the Treasury.

532. Mr. *Ayrton.*] The Committee request that you will give them an explanation of some of the items which appear in the Appropriation Accounts for the year 1867-8: first, with reference to an item of the excesses upon the Vote for "Palaces, &c. not in the personal occupation of Her Majesty," of 3,637 *l.* 5 *s.* 5 *d*; can you give the Committee any further explanation in reference to that item?—That excess of 3,637 *l.* was caused partly by liabilities of the year 1866-7, which, in consequence of the insufficiency of the Vote for that year, came in course of payment after the 1st of April 1867, and partly by special works at Kensington, St. James's Palace, Bushy House, and the Upper Lodge; for which no provision was made in the Estimates; that is all stated as an explanation at the foot of the report.

533. Can you explain why no provision was made in the Estimate to meet those expenses?—The reason is simply that they were unexpected, I presume; it would rest with the Department of Works to explain that. There were new contracts with the tradesmen in the Windsor district.

534. The Windsor district includes Bushy House and Bushy Park, does it not?—No, I think not. The explanation given in the note at the foot of the report refers to all the palaces, which are divided into different districts. The Windsor district would be distinct from the previously-mentioned ones. I have just received the explanation of the Board of Works with reference to this item. They say, "The services for which no provision was made in the Estimates for 1867-68 were, first, alterations to Mrs. William Grey's apartment at St. James's Palace, which it was anticipated would have been completed in 1866-67; some additional alterations of Her Royal Highness the Princess Teck's apartments at Kensington Palace beyond the amount provided in the Estimate; works at the residence of the Duc de Nemours and of Lord Alfred Paget, which were unforeseen when the Estimate was framed.

535. Lord *Frederick Cavendish.*] Have you the details of the amounts?—No; those are not stated.

536. Will you turn to page 8; there is an item there of 2,038 *l.* for the "British Embassy House, Paris," which is stated to be consequent upon the change of the ambassador not being anticipated when the Estimates were prepared?—Yes. The Board of Works state that the extra works at the British Embassy at Paris consequent upon the change of ambassadors, which were unforeseen at the time the Estimates were framed, were, new stores, &c., 430 *l.*; drainage of kitchen, 200 *l.*; new furniture, which was authorized by a Treasury letter, 1,245 *l.* and 140 *l.*

537. The expenditure for this account originates chiefly on the requisition of the ambassador himself and through the Clerk of Works at Paris, does it not?—Yes.

538. And then it comes to the Treasury through the Board of Works?—Yes.

539. And practically they sanction it?—Yes.

540. We can have the account shown in detail of the Expenses of the Embassy at Paris for that year, can we not?—Yes, everything.

541. Will you be good enough to send to the Committee that account for the year to which this audited account relates?—I will.

542. Mr. *Liddell.*] Can the Board of Works sanction expenditure upon an Estimate sent from Paris without application to the Treasury, and without the permission of the Treasury?—Yes, if it is of a usual kind; if there is anything exceptional in it, it would require the sanction of the Treasury.

Mr. *S. A. Blackwood.*

23 June 1869.

543. Would you not consider this an exceptional account?—It all depends upon the nature of the items.

544. Mr. *Ayrton.*] The Board of Works can make an expenditure within the amount of the grant without the sanction of the Treasury?—Yes.

545. But when the expenditure exceeds that amount they have to apply to the Treasury to sanction it?—Yes.

546. And in this case they would have had to do that?—Yes.

547. Will you turn to page 19; "Maintenance of Lighthouses:" you perceive that there is a deficiency of 2,115 *l.* 10 *s.* 7 *d.* in consequence of the execution of some new works at Inagua Island which were not provided for in the Estimate; will you explain why there is that deficiency?—We know nothing more at the Treasury than is contained in the explanation appended to the report; under the provisions of the Exchequer and Audit Act the money could not be applied in that year.

548. That deficiency arose from the fact that the money was voted for the previous year, and the payment for the service did not actually fall due until the year after that for which the money was voted?—Yes.

549. And therefore it had to be paid apparently as an excess?—Yes.

550. In reality it was merely a payment under a vote for the previous year?—Yes; and no doubt an equivalent amount was saved in the preceding year.

551. *Chairman.*] Do you know that an equivalent amount was saved?—I have no doubt it was.

552. You cannot say for certain that it was?—I cannot say for certain, but I have no reason to doubt it.

553-4. Mr. *Sclater-Booth.*] Does it not follow as a matter of course, under the existing arrangements, that this money was paid into the Exchequer, if it was not spent in the preceding year?—Yes.

555. Mr. *Ayrton.*] There is a curious item upon page 23, for "insurance on life of a gatekeeper in Richmond Park;" do you know upon what principle that person's life is insured?—I have sent to the Board of Works for an explanation, and have received the answer that under an arrangement between the offices of Woods and Works and the Treasury, in, it is believed, the year 1845, the lives of certain gatekeepers were insured by the office of Woods and Works, the amount of the premiums being repaid to that department by the gatekeepers. The sum of 5 *l.* appearing as a payment on page 23 will be found as a receipt on page 26. The arrangement has now ceased.

556. Now, will you turn to page 30; you see in paragraph 12 of the Comptroller and Auditor General's Report, he states that, "Appropriation Accounts of the following grants in Class I. have not been rendered to this department, but accounts of the respective departments entrusted with the expenditure of portions of the grants have been rendered, and examined as cash accounts;" then he proceeds to enumerate, Vote 18, Embassy Houses, Constantinople; Vote 21, Harbours of Refuge; Vote 22, Public Buildings (Ireland); Vote 24, Ulster Canal; Vote 26, Isle of Man Lunatic Asylum:" can you give the Committee more complete explanations of the reasons why those accounts were not rendered?—The Appropriation Accounts of these Votes were not required to be rendered before the year commencing the 1st of April 1868.

557. The Treasury had to make regulations under the Exchequer and Audit Act, had it not, directing what accounts were to be rendered for audit by the Comptroller General?—Yes, if those accounts had reference to other than Votes of Parliament or Consolidated Fund Services.

558. And with regard to the Votes, the accounts to be rendered under that Act would be the Accounts from the 1st of April 1867 to 1868, would they not?—No; from the 1st of April 1868 to the 31st March 1869.

559. How do you make that out?—Because, if I remember right, the Act was only to come into operation as regards the rendering of accounts a year after the 1st of April 1867.

Sir WILLIAM DUNBAR, Bart., called in; and Examined.

Sir *W. Dunbar*, Bart.

560. Mr. *Ayrton.*] CAN you give the Committee any information upon the point we are now inquiring into?—By a special provision in the Exchequer and Audit Act of 1866 the Treasury was bound to establish a uniform system of accounts, but there was not sufficient time to enable them to make the regulations for that purpose before the Act came into operation on the 1st of April 1867; a Minute was therefore prepared by the Treasury and presented to Parliament, in which the reasons were set forth at full length, explaining the necessity of delaying the rendering of the Accounts to the Comptroller and Auditor General from the 1st of April 1867 to the 1st of April 1868.

561. In point of fact, all the arrangements for carrying out the Act in detail could not be made in the year 1867-68?—They could not be made in the currency of that year.

562. (To Mr. *Blackwood.*) But arrangements have been made so as to work completely for the current year 1868-69?—Yes, they are all in operation now.

563. Mr. *Liddell.*] Paragraph 11 of page 30, the Comptroller and Auditor General states, "I have to notice that the Commissioners of Her Majesty's Works received in the year 1867-8, sums amounting to 3,140 *l.* 7 *s.* 10 *d.*, being the proceeds of the sales of building materials on the site of the New Courts of Justice. This sum has not been included in the account of Extra Receipts, but has been carried to a separate account:" under what regulation was that separate account framed; why was not it included in the account of Extra Receipts?—In the Treasury Minute appended to this report, at page 65, it is stated in the 7th paragraph, that "these moneys have been carried to a separate account by direction of the Treasury, pending a decision as to their disposal." Among the explanations I have just received from the Office of Works, is one with reference to an item on page 6, "Victoria Park." The excess on the amount provided for the Victoria Park is caused by the works at the bathing lake, sanctioned by the Treasury.

564. Mr. *Ayrton.*] Will you now turn to page 30; the report of the Comptroller and Auditor-General goes on to state that, "No accounts have been received in this Department in respect of the following grants for 1867-8, namely;

namely: Sheriff's Court-houses (Scotland); Rates on Government Property; Capital Contribution to Metropolitan Fire Brigade;" can you give any explanation why those accounts were not sent to the Audit Department?—The payments on account of these three Votes were all made under the direction of the Treasury. Of the last one there would be no account, so to speak, as it only consists of four quarterly payments in lump sums. The two former grants were in a measure controlled by the Treasury, but no account was rendered to the Audit Office, though the Audit Office would be cognisant of all payments made from those Votes in the Paymaster General's accounts.

565. Mr. *Sclater-Booth.*] Who would be the accounting officer for the Sheriff's Court-houses?—The accounts are furnished to the Treasury by Clerks of the Supply in the different counties, and certified by the Examining Officer of the Board of Works in Scotland, and the Treasury then pass them, if they are in accordance with the regulations and sanctions already given.

566. The item for the Sheriff's Court-houses is an increasing one, is it not?—It is at present: the Government defray half the cost of erection, and these court-houses are gradually being completed. The moment a Sheriff's Court-house is completed, the charge for the maintenance of it only will fall upon the Government.

567. A new arrangement is about to be made with regard to the rates on Government property, is it not?—Yes.

568. Is it now in the hands of the Treasury?—It is now under the Treasury.

569. Mr. *Ayrton.*] Why is there not a more detailed account of the Savings and Deficiencies with respect to Vote 13, at page 34?—The Audit Office would have no cognisance of the Savings or Deficiencies under any sub-heads, inasmuch as there were no sub-heads at that time in the Votes.

570–1. *Chairman.*] If you turn to the Estimate laid before Parliament in the year 1867, you will see a great many items mentioned under the Votes (*handing a book to the Witness*)?—Yes; but there are no totals to them. All that the Exchequer and the Audit Department would necessarily be cognisant of is the total of the Vote, and they would only be empowered to report as to the Savings or Deficiencies upon the total Vote.

572. But they might have taken these items quite separately, as they have taken them in the case of the Army and Navy?—They could do so in the case of the Army and Navy, because there they were under sub-heads specially totalled up, with respect to which the Exchequer and Audit Office was responsible for stating the deficiency or the excess, but it is not so in this case.

573. Because each separate sub-head was not added up; is that the reason?—Yes, the Estimate was not prepared with a view to an Appropriation Account being rendered of it in the grant.

574. Mr. *Sclater-Booth.*] Is that the new form of account for the Office of Woods, or will it be in a different form for this year?—There was a different form of Estimate for 1868–69.

575. *Chairman.*] For the Office of Woods and Forests and the Stationery Office?—Yes.

576. If you cast up the total of the item in the Estimates for the pay of persons temporarily employed, and compare it with what has been spent for the pay of persons temporarily employed, you will find a very considerable excess, I think; I believe the total amount voted is 1,244*l.*, and 1,592*l.* have been spent; do you know whether the Department thought it necessary to apply to the Treasury for their sanction for that excess?—I should not think they did. They would have had authority originally to employ such persons as were necessary for the business of the Department temporarily, and if their Vote was not exceeded, they would not have considered it necessary to apply to us.

577. If the total Vote were not exceeded?—Exactly.

578. Mr. *Ayrton.*] Can you supply to the Committee any account of the Stationery Department more in detail than this?—The Comptroller of the Stationery Office could supply that, but not the Treasury or the Audit Office.

579. *Chairman.*] Has your attention been turned to the fact that the classification of the Vote for Printing and Stationery for 1867–8 is very different from that of the account, so as to render any comparison impossible?—No, my attention has not been turned to that point; there is a paragraph in the report of the Comptroller and Auditor General which relates to it; you will find it at page 36.

580. It states, "The account of this service has been classified under the sub-heads included in the Estimates for the year 1868–9, and as this classification differs from that of the Estimates for 1867–8, it has not been possible to check the appropriation of the expenditure under the sub-heads, as given in the Estimates for 1867–8;" is not the principal object of rendering an account, to be able to check the appropriation of the expenditure under the different sub-heads?—Yes.

581. Mr. *Ayrton* (to Sir *William Dunbar*).] Can you give any explanation why the Comptroller of the Stationery Office renders the accounts in this way?—We have simply stated the fact, but we do not know what was the cause of it. (Mr. *Blackwood.*) It is very probable, though I cannot say so for certain, that the form of the account was arranged by the Comptroller in order to be in harmony with the new form of Estimate which was presented last year. I see that the sub-heads are very much the same as those in the Estimates now before Parliament.

582. *Chairman.*] They are the same as those in the Estimates now before Parliament, but they are not the same as those in the Estimates for the year 1867–8, and the whole use of the account is to be able to compare the account with the Estimate?—Yes.

583. Mr. *Ayrton.*] Do we rightly understand you to say that the Estimate for this year is framed in the manner in which the account is stated?—I think very much so. The sub-heads appear to me to be pretty nearly the same.

584. *Chairman.*] Has any profit been received from the "Gazette" during the current year?—The receipts from the Gazettes are in excess of the Expenditure, as I think you will find by reference to the Estimates.

585. Have the profits been paid into the Exchequer?—Yes, they must be paid into the Exchequer.

586. I see "Salaries for 'Gazette' Officer" in the Estimates?—Yes; I think the profit has been paid into the Exchequer for many years. You will find it appearing as an item in the Finance Account.

Mr. S. A. Blackwood, and Sir W. Dunbar, Bart.

23 June 1869.

587. At all events, I am distinctly to understand that the whole expense of the Gazettes are included in the Estimates, and that the whole of the profit is paid into the Exchequer?—Quite so.

588. Mr. *Ayrton.*] Will you turn to page 36; the Committee wish to have an explanation with reference to paragraph 13, in which the Comptroller General observes that "A pension of 140*l.* per annum granted Mrs. Coleman, widow of the late Mr. Matthew Coleman, who was editor of the Army List, has been charged to the Stationery Office Vote, under the head of Salaries:" can you explain why that has been so specially charged, instead of being put to the Superannuation Account?—Until the commencement of last year there were a large number of non-effective charges scattered up and down through the Votes, which were then directed to be included in the Superannuation Estimate, and amongst them was this one.

589. Has this been taken out of the Salaries now?—It has been taken out now, and it is included in the Superannuation Estimate.

590. You will observe that in the same page the Comptroller and Auditor General states that, "No accounts of the remaining services in this class" (which is Class 2) "have been rendered to this department for the year 1867–8;" and then he sets out a long list: can you explain why those accounts were not rendered?—That was in consequence, as I stated before, of the Treasury arrangements not having been completed. Appropriation Accounts are rendered for the past year, and will continue to be so.

591. The same question arises upon Class 3, as to which you perceive that a considerable number of accounts have not been rendered; are those also accounts which were not sufficiently arranged for that year?—Yes; those services are now the subject of Appropriation Accounts.

592. You observe, on page 39, that there is a considerable excess on the charge for "Extra copying"?—Yes, under item B.

593. How came there to be so large an excess in that department?—The extra copying was required for the preparation of a Return to an Address of the House of Commons the 16th of July 1867, for certain statistics relating to the parishes of England and Wales.

594. That was after the Estimates were voted?—Yes.

595. *Chairman.*] Has your attention been turned to the fact that, in the Vote relating to the Stationery Office, the account of expenditure is classified under very different heads from what it is in the Estimate?—No.

596. Here is the Estimate (*handing the same to the Witness*); if you look at the account of the expenditure, I think you will find that there is a totally different classification adopted in the one from what is adopted in the other, so as to render a comparison almost impossible?—It was prepared according to what had been arranged. I have no doubt that they made out their account in conformity with the new form, although the old Estimate had not been in the same shape. It was important, I have no doubt, to bring their accounts into the new shape as soon as possible, in order to give them some data for framing the Estimate for the ensuing year; and unless their accounts were made out under the new sub-heads, they would have been rather at a loss in framing their Estimates.

597. In short, I am to understand that these accounts were made out more with a view to preparing the Estimates for the ensuing year than with a view to comparing them with the Estimates of the preceding year?—That is what I imagine; but I speak without having referred to the department on the subject.

598. Mr. *Ayrton.*] In many respects the year 1867–8 is to be treated as a transition year, is it not, from the old to the new system, which was not fully in force until April 1868?—Yes.

599. Therefore we are not to take this as a fair representation of what the state of the account will be for the year 1868–9?—By no means.

600. Mr. *Liddell.*] In sub-section 5, on page 40, you will find that the total expenditure on the Paris Exhibition appears to be 128,522 *l.* 9 *s.* 4 *d.*, but there is a deduction made from that sum, of 9,826 *l.* 10 *s.* 11 *d.*, "stated by the accountant to have been erroneously charged to the Vote:" I wish to know, in the first place, what steps were taken to ascertain the correctness of that statement, and, secondly, what was the explanation given?—The steps taken to obtain an explanation will be found on page 65, at the last paragraph but four of the Treasury Minute.

601. Do you mean the paragraph which states that it was "in consequence of the imperfect manner in which the accounts rendered have been classified," and so on?—Yes, that and the two following ones.

602. Then is this all the explanation which has been obtained?—No; those are the steps which were taken to obtain an explanation.

603. Can you now furnish the explanation?—The explanation has been received by the Treasury, and is now under their consideration; I have it in my hands, but the Treasury have not prepared a Minute upon the subject.

604. Then we understand that the matter is still *sub judice*?—Yes, the whole of the Paris Exhibition Vote is still *sub judice.*

Mr. Charles Lister Ryan, called in; and Examined.

Mr. C. L. Ryan.

605. *Chairman.*] You are Secretary to the Exchequer and Audit Department?—Yes.

606. Mr. *Sclater-Booth.*] Perhaps you could give us some explanation upon this subject; in what form have the Accounts for the Paris Exhibition appeared in the Audit Office; have they appeared as a separate account at all?—Yes; in consequence of a decision of the Treasury, they have been treated as Appropriation Accounts, although the first Vote for the service was taken prior to the commencement of the Exchequer and Audit Act, which required all Civil services to be the subject of Appropriation Accounts; therefore, the Comptroller and Auditor General reported to Parliament upon all the expenditure, although a good deal of it was incurred before the Exchequer and Audit Act came into operation; that is stated at paragraph 3 of the report.

607. Mr. *Liddell.*] I presume the whole of the cash accounts kept in Paris during the Exhibition have been called for and examined?—Yes. This report is upon the whole expenditure for

for the Paris Exhibition from the beginning although the money was voted in three differen years.

608. (To Mr. *Blackwood.*) Was there any Treasury officer despatched to Paris to watch and check this expenditure? —No.

609. Mr. *Ayrton.*] The Vote was taken on account of the Education Department, was it not? —Yes; or, more properly, the Science and Art Department.

610. And the expenditure was entirely under their control within the limits of the Vote?—Yes, and under the sanction of the Treasury for particular items.

611. Mr. *Sclater-Booth.*] I do not see any separate references in Class 4 to the Science and Art Department expenditure, as distinguished from that of the Education Office?—You will see that it is stated that the account for the Science and Art Department has been examined.

612. Do you remember whether the account of the Science and Art Department was satisfactorily kept, distinct from the account for the Universal Exhibition at Paris?—They mixed up a good deal of their expenditure, but we succeeded in getting an account from them.

613. Mr. *Liddell* (to Mr. *Blackwood*).] Will you have the goodness to explain what an imprest account is?—It is an account of money advanced to an accountant, which he has afterwards to account for.

614. Mr. *Ayrton.*] An imprest is money advanced to a public accountant, for which he has afterwards to account?—Yes.

615. Instead of being paid to him upon a voucher, which is in itself final?—Yes. (Sir *William Dunbar.*) It may be defined as an advance, subject to account.

616. *Chairman* (to Mr. *Blackwood*).] Has any final decision been arrived at with respect to the sum of 551 *l.* 12 *s.* 11 *d.*, charged to the Vote for the purchase of frames for the exhibition of Government works of Art, which would be more properly included in the expenses of the Paris Exhibition?—The Department have stated, in the explanation which I have handed in, that they have adjusted that amount, and that it will be charged to the proper Vote.

617. I suppose you consider the charging of that sum to the Paris Exhibition as being in contravention of paragraph 3 of the letter of the Secretary of the Treasury (Mr. Ward Hunt) to Mr. Corry?—Yes; that expenditure should have been charged to the Vote of the Department which exhibited the works of Art, and the Department of Science and Art have now adopted that course in consequence of this report.

618. Have you investigated further the sums charged for the expenses incurred by the wives of the non-commissioned officers of the Royal Engineers employed at the Paris Exhibition?—The explanation of the Department is that the wives of the non-commissioned officers were employed as servants.

619. At paragraph 14, there is a matter requiring explanation, though the items are only small ones, 52 *l.* 10 *s.* as an honorarium to Mr. Atlee, and 2 *l.* to Dr. Chepnell; has any further decision been arrived at about those charges?—The Department have not explained the first item; with regard to the second, they have stated that it was a fee for attendance upon the Royal Engineers, who, I presume, at home would have been furnished with medical attendance from the Military Staff gratuitously.

620. What do you say about the first item?—With regard to the first item, they have not given us any explanation; we shall have to call for a further explanation concerning it.

621. Paragraph 15, perhaps, is the most important one of the report: "I have to observe generally, that the vouchers sent in support of the accounts furnished for the Departments of War, Admiralty, and Trinity House, are not satisfactory; many receipts are wanting; some only of the vouchers are duly authorised, and some of the charges are not supported by any vouchers at all;" is there any explanation of that in the papers you have?—They state that every effort was made by the Paris department to induce the departments of War, Admiralty, and Trinity House, to make their vouchers and accounts satisfactory.

622. Have further vouchers and accounts been received since?—They have not been sent to the Audit Office yet.

623. Mr. *Sclater-Booth* (to Sir *William Dunbar*).] It is stated that cash accounts only have been received by the Audit Office for the following grants, namely, Science and Art, and so forth; the Science and Art grant is a very large one, is it not?—Yes.

624. (To Mr. *Ryan.*) You say that they "call for no special remark," but may I ask generally whether the accounts of the Science and Art Department are in a satisfactory condition?—I think not; no special reference was made to the accounts of the Science and Art Department, because, at the time this report was presented, the final examination of those accounts was not completed.

625. Has it been completed since?—It has been completed since, and the result reported to the Treasury.

626. Would there be any objection to a copy of that report being furnished to the Committee? —None, so far as the Audit Office is concerned. cerned.

627. (To Mr. *Blackwood.*) Do you know of any objection to its being laid before the Committee? —I am not aware of any.

628. Mr. *Ayrton.*] Will you send it to the Committee, if you please?—I will. (Sir *William Dunbar.*) It is the Cash Account.

629. (To Mr. *Blackwood.*) On page 42, you will observe that the Comptroller General says, "Neither Cash nor Appropriation Accounts have been received in this Department of the following grants for 1867-8: Vote II., Theological Professors at Belfast Academical Institution. 12. British Museum. 16. Board of Manufactures, Scotland. 18. Learned Societies, Great Britain;" can you explain why none of these accounts have been furnished to the Comptroller and Auditor General?—There was no authority for rendering them to the Exchequer and Audit Department pending the completion of the arrangements by the Treasury.

630. Those were special accounts, then?—Yes, controlled by the departments themselves. It was to remedy cases like this that the Exchequer and Audit Act was passed.

631. But all those accounts are now being brought under the notice of the auditors?—They are all the subject of Appropriation Accounts this year, and were so last year.

Mr. *S. A Blackwood*, Sir *W. Dunbar*, Bart., and Mr. *C. L. Ryan.*

23 June 1869.

Mr. *S. A. Blackwood*, Sir W. *Dunbar*, Bart., and Mr. *C. L. Ryan*.

23 June 1869.

632. *Chairman.*] Then are we to understand that with respect to the Civil Service Estimates, we shall have a regular detailed account of the Savings and Deficiencies upon each head of the Vote, as in the case of the Army and Navy?—Yes.

633. Precisely in the same form as in the case of the Army and Navy?—Yes, I think so.

634. And those accounts are to be made out precisely in the same form as that in which the amounts are taken in the Estimates?—Precisely.

635. Lord *Frederick Cavendish.*] Referring to Class 1, "Extra Receipts," will you explain why there is no receipt under the head of Hyde Park for grazing rents, when grazing rents amount to a considerable sum for Regent's Park?—The Department of Works must explain that.

636. Are no extra receipts received under any of the other classes besides Class 1, such as, for instance, Vote 25, "Printing and Stationery"?—Yes, and all extra receipts are paid into the Exchequer.

637. There is no account, is there, presented to us, of those extra receipts?—The report of the Comptroller and Auditor General would refer for the year 1867-8 to the expenditure from the Vote, and would not, as a general rule, I apprehend, take into consideration the extra receipts. (Mr. *Ryan.*) In the new form of the account, the extra receipts will be stated at the bottom of the account, so as to correspond with the Estimates; it was not so done upon the old form.

638. Why is an account of extra receipts given for Class 1 and for no other Class?—Because the accounts of the Office of Works, which come under Class 1, have been in existence as Appropriation Accounts for some years.

Wednesday, 30th June 1869.

MEMBERS PRESENT:

Mr. Ayrton.
Lord Frederick Cavendish.
Mr. Algernon Egerton.
Mr. William Fowler.
Mr. Liddell.
Mr. Pollard-Urquhart.
Mr. Seely.

WILLIAM POLLARD-URQUHART, Esq., IN THE CHAIR.

Mr. GEORGE RUSSELL, called in; and Examined.

Mr. *G. Russell.* 30 June 1869.

639. *Chairman.*] WILL you state the office which you hold?—I am the Secretary of the Office of Works.

640. Mr. *Ayrton.*] You superintend, or did superintend formerly, the department connected with the management of the public parks, I believe?—Yes.

641. We observe that in the accounts of that department there are no extra receipts given in connection with Hyde Park; have you any explanation to give on that subject?—You allude, I presume, to the grazing rents. Hyde Park is under the Rangership of H.R.H. the Duke of Cambridge, who is also the Ranger of St. James's and the Green Parks. This return was formerly made out for St. James's Park, the Green Park, and Hyde Park; and therefore the grazing rent of Hyde Park appears under the head of St. James's Park, the words "the Green and Hyde Parks" having been accidentally omitted; it is 80 *l.*

642. Mr. *Fowler.*] Do you mean 86 *l.* 15 *s.* 1 *d.*?—No; at page 26 of the Civil Service and Revenue Departments Appropriation Accounts, the last item is "St. James's Park (Department of the Ranger), grazing rent, 80 *l.*" That sum of 80 *l.* represents the grazing rents received for Hyde Park.

643. Mr. *Ayrton.*] Is that the whole of the receipt?—Yes; the whole of the receipt in respect of Hyde Park.

644. Mr. *Fowler.*] What is the acreage of Hyde Park?—I am afraid I cannot answer that question off-hand. The smallness of the amount as compared with the other parks may be explained by the fact that Hyde Park is so much used for purposes of traffic that the receipts for grazing are very small.

645. *Chairman.*] Can you tell what is the acreage of Richmond Park?—No; I could not answer that question.

646. Can you make an approximate guess at it?—Not at the amount devoted to grazing purposes.

647. Mr. *Ayrton.*] Richmond Park is extensively grazed by the deer kept in it, is it not?—It is grazed very much by the deer, but there are also cattle taken in to graze.

648. Mr. *Fowler.*] If you will refer to page 26, you will see that of St. James's Park proper, the grazing rent is 86 *l.* 15 *s.* 1 *d.*, and that the grazing rent of Hyde Park is nearly equal, 80 *l.*?—The grazing rent of St. James's Park is derived from the use of the ground which is called the Inclosure, which is inclosed by railings, and hardly used at all for purposes of traffic; therefore the grass is always good there, and it is easy to get a good rent for it; but, as the Committee are probably aware, Hyde Park is so much traversed by the public, that the amount to be derived from it for grazing is necessarily small.

649. Mr. *Ayrton.*] There is one further question on which the Committee wish for an explanation, namely, how it happens that so large a sum is paid to the keeper of Bushy Park for fees for deer killed in the park; at page 47, on the right hand side, you will see "Paid keeper of Bushy Park, fees for deer killed in the park, 388 *l.* 7 *s.*;" will you explain why those fees are paid?—This is incorrectly stated, and should stand,

	£.	s.
Paid keeper of Bushy Park for deer killed in the park - - - -	113	8
Ditto Commissioners of Woods, fees for deer killed in Windsor Great Park - - - - - - -	274	19
Total - -	388	7

650. This is not a receipt, it is a payment for killing the deer?—For every buck and every doe killed a fee is paid.

651. Mr. *Fowler.*] There are no fees charged, that I see, in any other park?—They are not shown in detail.

652. *Chairman.*] Do you know what amount of fee is paid for each deer that is killed?—The amount is 26 *s.* for every buck and 15 *s.* for every doe.

653. Mr. *Ayrton.*] On the opposite side of the account you will observe that the fees received are 504 *l.* 3 *s.* 6 *d.*; that sum represents the fees received from persons to whom the deer have been sent, does it not?—Yes, from those to whom the deer have been distributed.

654. The Committee could not understand the arrangement; you pay over a portion of those fees which you receive, to the keeper?—By a Treasury letter in 1839, the arrangements proposed in the Report of the Commissioners of Woods and Works of the 14th March previous, were approved of for the payment of fixed salaries in lieu of all fees to the keepers of the Royal Parks, and it was desired that the rangers of Bushy and Hampton Court Park might be communicated

Mr. *G. Russell.*

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municated with in regard to the remuneration of the keepers in those parks, their salaries and emoluments not being derived from the Crown, but from the rangers, who received for their own benefit the profits arising from the agistment of the herbage within the respective parks, and, in Bushy Park, those arising from the arable land also. In January 1840, the Commissioners of Woods reported to the Treasury their inability to make arrangements for carrying the proposed plan into effect, and the improbability of their doing so during the rangerships of the present holders of those offices; but they asked for and obtained their Lordships' sanction for paying the keepers the amount of the accounts transmitted, viz., to the keeper of Bushy Park 131 *l.* 3 *s.* 3 *d.*, to the keeper of Hampton Court Park 61 *l.* 3 *s.* 1 *d.*, such sums being equal to the amount received for fees on the bucks and does, the value of the horns and skins, &c.

Mr. Henry Richard Williams, called in; and Examined.

Mr. *H. R. Williams.*

655. *Chairman.*] What office do you hold?—I am Accountant to the Board of Trade to this day, but I am about to leave.

656. Has your attention been turned to the correspondence which took place between your department and the Exchequer and Audit Department, in October and November 1868?—Yes, my attention has been turned to the correspondence which passed between the Accountant and the Secretary to the Exchequer and Audit Department.

657. I observe that you did not give the certificate that was required to the Comptroller and Auditor-General; will you be kind enough to tell the Committee your reasons for withholding that certificate?—The reasons for my not giving the certificate were these: it has reference to the Merchant Seamen's Fund Winding-up Act, under which certain pensions are granted; those pensions are paid by the staff officers of the War Department; they examine the accounts and receive the vouchers, and it was found at the Exchequer and Audit Department that a portion of the account was not actual outlay, but an estimated amount. The reason why it was so was, that the Act required the account to be made up to the 31st of December in each year, and rendered to Parliament in the month of March following; and it was found that the account could not be audited in time to present it to Parliament as required in the month of March. The account has now been corrected by charging a difference which had been found in the examination and audit of the accounts; that difference consisted of about 47 *l.*, which is now rectified, and a letter has been sent to the Audit Office, which is in itself a certificate that the account has now been allowed by the Board of Trade.

658. Mr. *Ayrton.*] Does the account which has been allowed by the Board of Trade extend to the end of the financial year?—Yes.

659. *Chairman.*] You could not give a certificate before, because the account presented to you did not extend to the end of the financial year?—That was part of the reason; and it was also owing to the fact that I had not sufficient evidence that the amounts were really paid; it was only an estimated account for one quarter.

660. Then, if I understand you rightly, it was partly owing to a delay in sending in a full and proper account, and partly because the account, even when sent in, did not extend to the end of the financial year?—Precisely.

Sir William Dunbar, Bart., called in; and Examined.

Sir *W. Dunbar,* Bart.

661. *Chairman.*] Have you any explanation to offer in addition to what Mr. Williams has stated on this point?—No, he has fully stated the subject of difference.

662. Mr. *Ayrton* (to Mr. *Williams*).] Will this difficulty occur again in the accounts?—No, certainly not, because the accounts will not be rendered to the Exchequer and Audit Department until the verification by the Chief Auditor at the War Office as to the full nature of the account has been received.

663. Will you be able to get that in sufficient time?—We must wait until we can get it.

664. What time will that be?—Quite time enough for the extension that is given by the Act of Parliament.

665. *Chairman.*] After all, you have about six months to get in these accounts, have you not?—Yes.

666. And then three months to submit them to the Comptroller and Auditor General?—Yes.

667. Mr. *Ayrton* (to Sir *William Dunbar*).] Have you had your attention directed to your report of the 14th of January 1869, upon the Supply Grants included in the Civil Service Estimates, Class 7, for the year ended 31st March 1868; you will find it at page 51 of the Appropriation Account?—Yes.

668. Can you inform the Committee what has been done with reference to the statement in paragraph 3: "Neither Cash nor Appropriation Accounts have been received in this department, of the following grants for 1867–8: Temporary Commissions, Local Dues on Shipping under Treaties of Reciprocity; Brehon Laws, Ireland; Flax Cultivation, Ireland; Malta and Alexandria Telegraph, and Subsidies to Telegraph Companies; Household of the late King of the Belgians;" have those cash or appropriation accounts been since rendered to you, or has any arrangement been made for rendering them in future?—Yes, for this year.

669. But you were not able to have them at all for the year ending 31st March 1868?—No; that is stated in the body of the report.

670. But you have not had them since the report was made up?—No; they will be rendered for the current year.

671. Since this report has been rendered, you have not had them for the year to which it relates?—No.

672. It is necessary to pass over that year?—Yes, we must pass over the year 1867–8 altogether, and begin with the 1st of April 1868.

673. *Chairman.*] With regard to Vote 2, for which

which you say cash accounts only have been transmitted, to what period do the cash accounts extend?—To the end of the year.

674. To the end of the financial or the calendar year?—To the end of the financial year.

675. That is to the 31st of March 1868?—Yes.

676. And with regard to the other Votes, for which neither cash accounts nor appropriation accounts were received, to whom were those accounts submitted before the Exchequer and Audit Act of 1866 came into operation?—They were not rendered as separate accounts to the late Commissioners of Audit.

Sir *W. Dunbar*, Bart.

30 June 1869.

Mr. Morgan Hugh Foster, C.B., called in; and Examined.

677. Mr. *Ayrton.*] Can you explain how these accounts were dealt with before the present system of audit was applied to them?—The system was this: formerly there were appropriation accounts for only very few services, the rest of the accounts were all examined through the Paymaster General's Account. The orders for payment were issued by the departments upon the Paymaster General, who paid them; and every one of those payments was examined by the Exchequer and Audit Department through the Paymaster General's Account. The only difference was that they were not examined for appropriation purposes, that is to say, the vouchers were not examined with the view of ascertaining that the Vote had not been exceeded.

678. In examining the Paymaster General's Account, they examined the payments as they were made by him, upon the authority of the department?—Yes.

679–81. They did not go behind that voucher?—Not to see that the Vote bore out the payment. (Sir *William Dunbar.*) It ought to be stated that at that period the Commissioners of Audit were not the functionaries of the House of Commons, but, to a great extent, the servants of the Treasury. The Treasury sent and the Treasury withheld accounts from the Audit Department, just as they thought fit. (Mr. *Foster.*) I may say that there has not been the smallest delay or blame attaching to anyone in not delivering those accounts which are stated by the Comptroller and Auditor General not to have been rendered. The system was only ordered to be introduced on the 1st of April 1867, and the necessary accounts had to be introduced into nearly 100 departments before the Appropriation Account system could be brought into operation; to have done that in one year is rather an extraordinary feat, but it has been accomplished.

Mr. *M. H. Foster.*

Mr. Frederick Gripper, called in; and Examined.

682. Mr. *Ayrton.*] Will you state your official designation?—I am Accountant and Comptroller General to the Board of Inland Revenue.

683. Will you be good enough to direct your attention to page 53 of the Appropriation Account for 1867–8, for the Civil Service and Revenue Departments, and explain to the Committee how it happened that there was so large an excess as 8,750 *l.* 8 *s.* 7¼ *d.* upon the salaries and allowances of the Board, officers, and others on the establishment of the Inland Revenue in England?—That excess in the expenditure over the amount voted is attributable to alterations in establishments under the sanction of Treasury Minutes, subsequently to the preparation of the Estimate.

684. At what period was the change made?—The Estimate was framed in the latter part of the year 1866; it was transmitted to the Treasury in January 1867. In June 1867, an alteration was made in the department of the Secretary; in July 1867 there was a considerable addition to the Legacy Department.

685. Do you know when the Vote was taken for this Estimate?—I cannot state; it would be in May or June 1867.

686. Was it not in June or July?—It may have been; I am not aware of the precise date.

687. And after that these changes took place?—After the Estimates had been prepared and submitted to the Treasury, and laid before Parliament, alterations took place in the establishments which affected the expenditure for the year ending the 31st of March 1868.

688. Did any of the alterations take place after the close of the Session in 1867?—Yes; some took place after the close of the Session. A considerable alteration took place in October 1867, consequent upon the consolidation of the Inland Revenue accounts, arising from the adoption of one banking account: previously there had been accounts with the Bank of England for each branch of the Revenue; they were consolidated into one Inland Revenue banking account; that necessitated a great change in the accounts of the Inland Revenue Department.

689. *Chairman.*] That would rather simplify the accounts, and thereby render a smaller establishment necessary, would it not?—It did simplify the accounts; there was at that time an increase in the collectors in the London district, arising from the transfer to them of the receipt of taxes but consequent upon that there was an alteration in the Receiver General's Department.

690. The temporary extra expenditure caused by the change more than counterbalanced the saving resulting from the simplification of the accounts; was that the case?—It was an alteration of the system; the Legacy Department had an increase of 15 clerks, at a cost of 3,000 *l.* per annum.

691. Those changes, including the alteration in the Legacy Department, would account for how much of the 8,750 *l.* 8 *s* 7¼ *d.*?—£. 3,000 was caused by the addition to the Legacy Department.

692. Was the rest caused by the alteration of the system of accounts?—No; 1,500 *l.* was caused by an increase of surveyors of taxes; 600 *l.* was attributable to an alteration in the laboratory or chemical department of the Inland Revenue.

693. Mr. *Fowler.*] Then will this 8,750 *l.* 8 *s.* 7¼ *d.* be a permanent additional charge?—That which results from alterations in the establishment will become

Mr. *F. Gripper.*

Mr F. Gripper. 30 June 1869.

become a permanent charge; that is, a great part of the sum.

694. Do you mean to say that that part of it which is connected with the alteration in the banking account involves a permanent charge?—No, not all; I said that there were great alterations made in the accounts consequent on that change.

695. And that they involved expense?—No; they have not involved additional expense.

696. I thought you gave that as one explanation of the excess?—The excess was occasioned by alterations in several departments; by an increase in the Legacy Department, and in others besides those that I have mentioned.

697. Mr. *Algernon Egerton.*] But there was a saving *per contra* in other departments?—Yes.

698. Mr. *Ayrton.*] Would you have any difficulty in making up your accounts, partly from statements of actual expenditure, and partly from estimates, so as to show the excesses in the following year, without waiting until those accounts are rendered in September?—Our accounts are made up to the 31st of March; but we are not conversant with all the payments made before that date by the officers of the Inland Revenue throughout the country until some time after that period.

699. Do you review the expenditure that was voted for the current year at the time when you have to frame the Estimates for the ensuing year?—Yes, our Estimates are always based, as far as we are able to avail ourselves of the information, upon the expenditure of the past three years.

700. When you came to review your expenditure for the purpose of making up the Estimates, would you be in a position to state with tolerable accuracy what your excesses would be in respect of the current year if you tried to do it?—In the statement laid before the Treasury, an Estimate is given for every branch.

701. What I want to ascertain is this, whether in January or February 1868 you would have been able to state with tolerable accuracy what would be the excesses in respect of the then current year, over the Votes taken in 1867 for the year ending 31st March 1868?—No, we should not have been able to tell.

702. When would you first become conscious of those excesses?—Not until the accounts were all finally closed.

703. When would that be?—In the month of June following the 31st of March.

704. When you get in all the accounts?—When we have got in and examined all the accounts.

705. And the totals are fairly arrived at?—When the accounts are examined and checked, and the totals fairly arrived at.

706. Do you not have anything like an estimated account made before June as to your probable expenditure for the year ending the 31st of March preceding?—No; we make out no account at all, after the preparation of the Estimate, until the final account of the total expenditure is completed, excepting that we render to the Audit Department a quarterly account, showing the expenditure which has taken place.

707. So as to enable them to get on with the audit?—In transmitting the collectors' accounts to the Audit Department we render accounts showing the payments up to the end of each quarter.

708. So as to get the audit commenced sooner than the close of the year?—I believe the Audit Department act upon the collectors' accounts and vouchers which are forwarded.

709. They go on making the audit so as not to have the whole thing thrown over to the end of the year?—Yes.

710. How soon after the end of each quarter do you get that account to send on to the auditors?—I do not think it is perfectly ready for the auditors until five or six months afterwards, because the most minute examination takes place with regard to the vouchers.

711. *Chairman.*] Then, if I understand you rightly, the whole of this excess, with the exception of that caused by the increase of the Legacy Department, has been produced by mere temporary causes?—By alterations of the establishment.

712. Those alterations, if I understand you rightly, were made for the sake of simplifying the accounts, and performing that part of the service with more economy?—The alterations in the accounts affected one branch of the department only; the other alterations in establishments had no reference to that change.

713. I think you said there was a new laboratory made, and I believe you stated that almost all the causes of the excess were temporary ones, with the exception of the increase of the Legacy Department?—I did not intend to convey that impression.

714. Mr. *Ayrton.*] I think the phrase you used was that, as regards establishments, the charges would be permanent; you drew that distinction?—Yes.

715. Mr. *Fowler.*] I understood you to say that the great bulk of this expenditure would be permanent, as being involved in the increase of the establishment?—Yes.

716. Mr. *Algernon Egerton.*] But you added that there would be savings upon other heads?—The excess of expenditure with regard to salaries is 8,750 *l.* 8 *s.* 7 ½ *d.* over the amount voted by Parliament, and that will continue.

717. *Chairman.*] The whole of it?—Yes.

718. Mr. *Algernon Egerton.*] Is that owing to an increase of work in the department, or would it be covered by savings upon the other heads?—It is attributable to an increase of work in the department, and the re-arrangement of the department.

719. Mr. *Seely.*] At what period was the Estimate of 637,074 *l.* made up, to be laid before Parliament?—That Estimate was made up in December 1866.

720. Then there would be in the course of the year following an increase over that of 8,750 *l.* 8 *s.* 7 ½ *d.*?—Yes.

721. Who gives the order for that increase?—It is done by the authority of the Lords of the Treasury; alterations of establishment are always made in that way upon full reports by the department.

722. Then when an order is given for an increase of expenditure, is no note taken of that?—Provision is made for it in the next year's Estimates.

723. But is there no note taken that there is such an addition made to the expenditure of a particular office; do you not keep an account of the expenditure of each office?—No, not of each office; that is to say, not of each branch; the establishment for each office depends upon the Treasury authority.

724. My object in putting these questions is,

to

to ascertain where the difficulty is of your finding out that there will be an increase of expenditure, long before you appear to come to that knowledge at present?—You must bear in mind, that this increase of expenditure on salaries has reference to the salaries of about 5,000 persons, and that the great bulk of those persons are entitled to periodical increments of salary; great fluctuations necessarily will arise, either from deaths or from promotions, or from other causes, in the amount of the yearly salaries. The Estimates made up in December 1866, of the amounts which would come in course of payment for salaries between April 1867 and April 1868, were made upon the best data which were then available.

725. But then, if you had those data before you, and if you varied from those data in the course of the year, could you not note the excess or the deficiency at the time?—I do not know with what object that should be done.

726. The object would be, would it not, that that would enable you to ascertain that there would be a deficiency before you now ascertain it?—We should not know to what amount it would be; we could not tell to what extent the deficiency or the alteration would go.

727. For instance, if you added one clerk extra to a particular office, at a salary of 200 *l.* a-year, you would know that the expense of the establishment of that office would be 200 *l.* a-year more than it would otherwise have been, would you not?—Yes; 200 *l.* a-year, or some less sum proportioned to the date when the appointment was made.

728. Where would be the difficulty of noting from time to time any additions or diminutions of expenditure as they occurred?—So far as noting goes, we take cognisance of the fact that there is an alteration, either an increase or a decrease, as the case may be, of the establishment, for our guide in the preparation of the Estimates for the succeeding year.

729. Mr. *Ayrton.*] You have stated to the Committee that you do not become conscious of the amount of excesses over the grants made by Parliament until nine months, I think, after they have occurred; we are anxious to know whether, by any method of registration of facts or accounts in your office, you might not arrive at a consciousness of that fact within the year of the excess shortly before its close, or at all events immediately at its close?—I think it would be wholly impossible under our present system of making payments.

730. If we were to tell you that the Accountant General of the Navy had stated that he had arranged a system for reviewing his expenditure in the middle of the last quarter of the year, and that he would then be able to arrive, with very accurate precision, at what would be the expenditure of the year, so as to become conscious of any excesses, do you not think that you might rival the Accountant General of the Navy in that respect, and do much the same as he could do?—If all our payments were made by the same officer, say, by the Receiver General of the Inland Revenue, we could know by the end of December exactly what he had expended, and we could form a very fair Estimate of what he would have to expend between that date and the 31st of March. But we have some hundred or two hundred officers in all parts of the country, incurring expenses and making payments, and we do not know, until their accounts are received, and aggregated, what the amount of that expenditure has been.

731. As the Accountant General of the Navy has to grapple with that difficulty in the case of each of Her Majesty's ships all over the world, do you not think that that would present as great a difficulty to him as the number of your officers in England might present to you?—I am not able to express any opinion upon that point.

732. *Chairman.*] All your establishments are in the United Kingdom, are they not?—They are all in the United Kingdom.

733. Therefore, accounts may be transmitted from any one of them within 24 hours?—Yes; but then they involve an examination. I may explain that the Inland Revenue Department is divided in the country into collections; each collector has his officers to pay, and other expenses in accordance with the establishment sanctioned by the Board; at the expiration of each period, forming what we call a "round," that is, six weeks, he transmits his accounts to the Inland Revenue Department, and they are then examined fully, and all the items of expenditure under the different heads of service by the different collectors are aggregated; then we know the total expense of that "round" under each head of the service.

734. Mr. *Ayrton.*] Then it is your view that you could not have what may be called an accurate Estimate made within the year, but that you must wait until the whole of the accounts have been thoroughly examined and brought to charge accurately?—I quite think so.

735. Mr. *Fowler.*] With reference to the question of salaries, suppose you are going to take on a fresh clerk, do you send for leave to the Treasury?—Yes, invariably; every clerk in the department is employed there under Treasury sanction.

736. Mr. *Ayrton.*] Each individual salary for each officer in the department is the subject, when it is changed, of a special report to the Treasury, and the subject of a special sanction by the Treasury, is it not?—Yes, always.

737. Mr. *Fowler.*] Then there is a correspondence about each case?—There is a report from the Board.

738. And an answer from the Treasury?—And an answer from the Treasury.

739. Mr. *Ayrton.*] And if they are not satisfied there is an explanation?—Yes.

740. Mr. *Fowler.*] There is a great saving, I see, in the next two Votes; is that a permanent saving, as the other was a permanent excess?—I should remark, with regard to the Excise, that we have Treasury authority to employ a certain number of Excise officers, preventive officers, assistants, and others; at times they are not wholly employed, and all the stations are not filled; then there is a saving.

741. Mr. *Ayrton.*] There are several other items of excess in these accounts; one is for repairs of buildings, 2,209 *l.* 1 *s.* 11 *d.*, another is rent of offices, rates, taxes, &c., 3,287 *l.* 14 *s.* 8½ *d.*, and a third is postage and carriage of books, &c., 2,055 *l.* 14 *s.* 1½ *d.*; do the statements which you have made apply to those equally with the first item to which I directed your attention, or have you any special explanation to give with regard to any of those last three items?—With regard to the excess on repairs of buildings, that was principally occasioned by alterations of the Inland Revenue Office in Edinburgh; provision had been made in the Estimate for the preceding year,

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1866–67, on that account; but as the alterations had not been wholly completed in that year the bills had not been paid previously to the 31st of March 1867; therefore that expenditure did not fall within the year in which provision was made for it in the Estimate.

742. Therefore those payments had to be charged to the succeeding year?—Yes; they were paid out of the succeeding year's Vote.

743. Have you anything to say as to the rent of offices, and so on?—With regard to the excess on the rent of offices, that is attributable chiefly to new offices; we have two new offices in London for collectors. There is also an increase in the rent of the office at Liverpool, and a further part of the excess has been occasioned by the temporary use of rooms occupied by supervisors issuing dog licenses.

744. That is in consequence of the change with respect to dog licenses?—Yes; that is for a temporary use of rooms.

745. Have you any explanation to give with regard to the excess on postage and carriage of books?—That is occasioned by an increase of business, and an increase of carriage.

746. An increase of correspondence?—Yes.

747. Mr. *Fowler.*] You say that you take no special note at the time of any increase in the establishment which has been asked for, and for which you get authority from the Treasury; but in your office there is, of course, a record of everything of that kind?—The establishment is altered in the book kept for the purpose, and the new establishment is entered in the place of the old one.

748. And you have a record of the correspondence?—We have a record of the correspondence, and in the establishment book, the new establishment, as sanctioned by the Treasury letter, is entered in lieu of that which had existed previously.

749. Mr. *Ayrton.*] Will you refer to paragraph 4 of the Comptroller and Auditor General's Report, to be found at page 57 of the Appropriation Accounts for the Civil Services and Revenue Departments, in which he says, "The authority for applying the savings under certain sub-heads to make good certain deficiencies under other sub-heads of the Estimates has not, so far as I am aware, been obtained from the Lords Commissioners of Her Majesty's Treasury;" will you explain why that authority was not obtained?—It had not been the practice to apply to the Treasury for such authority previously, and the Treasury have directed now, that for the year 1868-9, their Lordships' sanction should be obtained for the application of any surplus to meet deficiencies on other items of the Vote.

750. But that has not been usual up to that time?—That has not been usual previously.

751. *Chairman.*] Will you turn to page 60, paragraph 18, of the Appropriation Accounts for the Civil Services and Revenue Departments; can you give any reason why statements of particulars of travelling charges have not been produced?—We have rendered to the Comptroller and Auditor General such documents and such bills and vouchers as had previously been rendered to the Commissioners of Audit.

752. Then we are to understand that of "Statements of particulars of travelling charges, expenses of unproductive prosecutions, and other charges of a similar nature," in general no proper accounts have been rendered hitherto?—Not in the detail that the Comptroller and Auditor General has required.

253. Mr. *Ayrton.*] The accounts previously rendered stopped at a certain point, showing the expenditure of the money, but they were not always traced to what may be called the final voucher of the actual cash payment?—Not in the detail now required by the Comptroller and Auditor General.

754. They were statements of account by officers who had charge of the expenditure?—Yes, they were all supported by vouchers, but in many cases as regards details of expenditure for the removals of officers and other charges, the bills have not been transmitted, but simply the order of the Board for the payment and the receipt.

755. The receipt by the officer?—Yes.

756. But that which I call the final voucher, that is, the officer's voucher, for paying money was not shown?—His voucher for receiving the money was shown, but not the way in which he had paid it; at all events, not so fully as the Comptroller and Auditor General has required; in future, such vouchers, as far as it is possible to render them, will be given.

757. *Chairman.*] Will you turn your attention to the next paragraph, paragraph 19, where the Comptroller and Auditor General says, "Receipts (or other acknowledgments) have been called for by this department for the several sums paid to the assessors and collectors of taxes for poundage amounting to 151,490 *l.* 1 *s.* 7 *d.*, as shown under the head 'Poundage to Assessors and Collectors of Taxes,' in the account; I am informed that it would not be possible to obtain these documents for the past year;" was that a mere temporary thing relating to that past year alone, or has it always been the case as regards those accounts?—The collectors of taxes are by law authorised to deduct the poundage due to them from the amounts they receive before they pay them over to the revenue, and they have given no vouchers or receipts; they have never done so.

758. Mr. *Ayrton.*] It simply appeared by the account they sent in of the collection, that they had made a deduction from that collection?—The collector of taxes, in accounting to the Collector of Inland Revenue, paid in a certain sum; the collector of poundage charged his account with a certain gross sum, and took credit for the amount that was stopped, but no receipt was given.

759. But it appeared, in the account he gave in of his collection, how much was stopped for poundage?—It appeared in what we may denominate the pay ticket; but, for the future, an arrangement has been made for supplying such information as will be satisfactory to the Comptroller and Auditor General.

760. Do you keep any establishment to audit the accounts internally, in your department, or do you rely entirely upon the audit of the Comptroller and Auditor General?—We have a most full audit or control of the accounts; and by means of an establishment book, showing the salaries payable to each officer, which is kept in my department, every payment made by the Collector of Inland Revenue to any officer is checked by that book.

761. Then do you keep a complete system of internal audit of all expenditure in the department?—Most complete.

762. To illustrate that, let me ask, did you receive

receive the voucher for the expenditure of an allowance when you made it to one of the clerks; did you ask for that voucher which is now called for by the Comptroller and Auditor General?—No voucher was ever given; the pay-ticket was tendered; we accepted the account of the Collector of Inland Revenue.

763. I am not speaking of the deductions for commission, but of the illustration which you gave before, of requiring the voucher of a clerk who said that he had spent money for travelling which you repaid him; did you call for his voucher for that expenditure?—Yes.

764. Then you had all the vouchers in the department, although they were not forwarded to the Comptroller and Auditor General?—The vouchers, ordinarily, were with the papers sent in to the Board. When an officer incurred expenses for travelling, he sent up his claim to the Board; it was examined in the proper department, and, on its being found correct, the Board directed the amount to be paid. The order of the Board was issued to the Collector of Inland Revenue, who paid the officer the amount.

765. When did the officer produce the voucher to show that he had actually made that expenditure?—On his application to the Board.

766. Then you had the voucher before you ordered it to be paid?—We had sufficient evidence that the officer had incurred the expense. There are no vouchers for many travelling charges; the rate of subsistence is laid down at so much per day by the Treasury regulation.

767. That is not a payment; that is an allowance to him?—That is an allowance to him; but it forms a part of his bill, for which an order to pay is issued.

768. But, even now, the Comptroller and Auditor General must be satisfied with his receipt when it is an allowance for which he is not bound to account?—Yes.

769. The case you put was a case of a payment he had made; what I want to know is whether, departmentally, you had that voucher for your internal examination of the accounts which the Auditor General now requires you to produce to him?—It would not apply so much to travelling charges as to expenses of removal which an officer might incur and pay to a railway company, or to a person who would remove his furniture, for which he would send in a bill to him. I do not think that such bills have been forwarded formerly to the Auditor General.

770. I should like to put this as a general question, not with reference to a particular case; did you receive, for your internal examination, any audit of the accounts, all the vouchers to the same extent that you now have to hand over the vouchers to the Comptroller and Auditor General?—In many cases it was so.

771. Was it always so?—I think so, in most cases. We have had a great difficulty in complying with the requirements of the Comptroller and Audit or General, but we have, by searching in papers which were in the Secretary's Department, and not with the accounts, obtained bills and particulars which have been supplied to the Comptroller and Auditor General, and he has been satisfied.

772. What I am anxious to know is, whether your internal audit was co-extensive as regards the finality of the vouchers with the external audit which now takes place by the Comptroller and Auditor General?—Yes, I think so.

773. Was it as complete?—I think so.

774. Then, in point of fact, what now takes place is this: you have an establishment which makes a complete and entire audit of the accounts, and then, when that is done, all the vouchers go to the Comptroller and Auditor General, and he has another establishment, and does the work all over again?—Under the Inland Revenue Board this work of examination devolves upon different departments. An officer removing, or otherwise incurring certain expenses or charges, would send up his application to the Board, with a detail of all his expenses and bills in support of them, and vouchers where expenses had been incurred. Those would pass under examination in one department, which would report upon them to the Board, and the Board being satisfied of the fairness of the claim, would order the amount to be paid. Thereupon it would be registered in the Accountant's department that the Board had directed a certain sum to be paid to a certain person; an order would be issued to the collector to make the payment. When the payment was made and claimed upon the collector's account, we should be satisfied with the voucher of the person to whom the amount was directed to be paid. Therefore, so far as the Accountant was concerned, the receipt of the officer ordered to be paid was sufficient. The Board having given the order, it did not fall within my province to review the decision of the Board in any way; but the Comptroller and Auditor General has required to see the bill upon which the order was made by the Board. Therefore, so far as the internal audit or the internal examination or control of the accounts was concerned, it rested upon two departments under the Board. The Board, previously to making the order, was satisfied of the justice of the claim, and previously to allowing the claim upon the account, I was satisfied that the payment had been ordered by the Board.

775. Have you a distinct department of examiner of accounts, or internal auditor of accounts, or is the work done by the Accountant General, in the course of entering the accounts, merely by an inspection of the documents?—All accounts are examined in my department.

776. But there is not a separate department of examiner of accounts to verify them in all respects?—No, that is all under the Accountant and Comptroller General.

777. What vouchers do you require for the purpose of entering an account or passing it?—We require an order of the Board authorising the payment, and we require a voucher from the person to whom the payment was ordered to be made.

778. Do you consider that your department might dispense with any part of its duties in consequence of the external audit of the Comptroller and Auditor General, now that he looks into all the details?—I think that the Comptroller and Auditor General relies upon me for the correctness of every document that is sent to his department. I have to give a certificate that all the payments are correctly made; that all the sums paid are properly calculated, and that all the castings are correct, and upon that certificate, I believe the Comptroller and Auditor General

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dispenses with that part of the examination of the accounts.

779. Then you do not think that the Comptroller and Auditor General really goes over all the work again; you think that he accepts your work up to a certain point?—I should imagine that the work of the Comptroller and Auditor General has reference principally to appropriation, and that he relies for the accuracy of the figures upon my certificate.

780. You have no independent power over the entry of the accounts; if you find anything objectionable, and the Commissioners direct you to enter it in the accounts, you are bound to enter it?—I pass nothing in the accounts which is not authorised by an order of the Board.

781. But you cannot question any order of the Board?—No, I have no right to question an order of the Board.

782. But the Comptroller and Auditor General has?—I do not know the powers of the Comptroller and Auditor General, but I suppose he may have the right to do so.

783. Mr. *Fowler.*] At page 58 you will find a number of cases in which your accounts are stated to be inaccurate; I suppose that you consider to be a question, not of absolute inaccuracy, but of incorrect appropriation of sums to particular departments?—To particular heads of service; it is wholly a matter of appropriation to heads of service; these cases have been explained fully to the Treasury.

784. I observe that there is a Minute of the Treasury calling your attention to the subject?—Yes; in obedience to that Treasury Minute a report has been forwarded by our Board to the Treasury, containing explanations.

785. Mr. *Seely* (to Sir *William Dunbar*).] You have heard what the Witness has stated; is that, according to your opinion, a correct account of what passes in the auditing of the accounts?—Only up to a certain point; in the first place, I hold that the word "audit," which is the function of an independent authority, as applied to an internal examination by a department of its own accounts, is a misnomer. Every department or accountant is bound to examine his accounts in order to satisfy himself of their correctness; but such examination cannot come in place of an audit; an examination by the department can of course exercise no check or control over the chief of the department, which is the proper function of the Comptroller and Auditor General. It is the duty of the latter to conduct an independent audit, not for the satisfaction of the department, but for the security of Parliament, whose functionary he is. He sees to the proper appropriation, in all its details, of all the moneys voted by Parliament to the purposes for which those moneys were obtained. An internal examination cannot therefore, in my opinion, fulfil the purposes of an independent audit for the objects of Parliament. Mr. Gripper has stated that there are certain points upon which the Comptroller and Auditor General is satisfied with the examination of the accountant; for instance, that he does not think fit to go into castings and computations when he has satisfied himself that they are correct. Now the Comptroller and Auditor General exercises that, as he does his other functions, under an express provision of the Exchequer and Audit Act, which will be found in section 30, and is to this effect: "In conducting the examination of the vouchers relating to the appropriation of the grants for any services not enumerated in the aforesaid schedule, the Comptroller and Auditor General shall test the accuracy of the castings and computation of the several items of such vouchers." He may either examine in detail or he may test; that is one power that he possesses, and the further power is this: "Provided always that when any vouchers have been certified to be correct by any officers specially authorised to examine the same, it shall be lawful for the Comptroller and Auditor General, with the consent of the Treasury, to dispense with a second examination of the particular items of such vouchers." Now in that special case, as in other cases of a like kind, the Comptroller and Auditor General has, when he knows the accountant with whom he has to deal, dispensed with the exercise of the powers either of testing or of going more minutely into the examination of the castings and computations of certain accounts.

786. Mr. *Ayrton.*] Then in your view it is necessary to ascertain with reference to each department, or each accounting officer, the exact point at which his vouchers should be received, and to which your examination should descend?—Yes, I hold it to be the duty of the Comptroller and Auditor General, first, to see that the expenditure is properly authorised and vouched; and, secondly, that the expenditure having been properly authorised and vouched has been properly brought to account; those are his two principal functions.

787. Mr. *Seely.*] Let us take a case in point: Mr. Gripper, I think, stated that he thought you took his account and passed it as correct with reference to the payments made to clerks or otherwise?—We do not take it for that purpose, it is only with regard to castings and computations that we take his certificate.

788. You do not take the account of the office as correct upon the point that a man has been paid at the rate of 400*l.* a year without perceiving what his salary really is?—No, we do not; I should consider that the inspector appointed for the purpose would do his duty very inefficiently if he were simply to accept the assurance of the office that that salary had been properly paid; he looks for the authority and the voucher.

789. He ascertains that such a man is ordered to be in the office, and that his salary ought to be so much?—He first ascertains that his salary is properly authorised, and, secondly, that it has been properly paid; and, thirdly, that the payment of it has been charged to the proper head of service; that is a further function of the Comptroller and Auditor General.

790. Is there any account which shows the time during which the different officers are employed?—Yes, I believe we have such an account. (Mr. *Hawker.*) There is a book kept for the purpose.

791. Do you require that book to be brought before you, in order to show that too much has not been paid to any officer?—Yes; it is examined in the fullest detail as to the classes of the officers, the length of time, and everything.

792. (To Mr. *Gripper.*) Do you go over that account in the same way?—We completely examine the accounts previously to transmission to the Audit Department: we have an establishment book fully entered up for each collection in the country, stating the name of the officer, and the amount of salary payable to him;

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an officer is entitled, under Treasury sanction and authority, to periodical augmentations of salary; therefore the amount of salary payable in each period of account is entered in this book, and it is ascertained that the payment made is in accordance with the sum to which the officer is entitled.

793. Does it not appear to you that this work is done twice over?—I have not the means of knowing what the Comptroller and Auditor General does; I only state that this examination is fully completed before the account is sent to the Comptroller and Auditor General.

794. (To Sir *William Dunbar*.) Does it not appear to you that this work is done twice over?—Must not every account be examined by the accountant before being rendered for audit, and does not that necessarily imply a second examination; the first examination is for the satisfaction, as I before stated, of the head of the department, who is the accountant, and the second examination is carried on by an independent authority, to satisfy the House of Commons that the money voted by it has been appropriated to the proper services.

795. But do you not think that some plan could be devised by which it would be possible to satisfy Parliament that the money had been properly spent, without doing the work twice over?—No, I do not think that any such plan could be devised without, on the one hand, relieving the Accountant of his responsibilities, or, on the other, unduly restricting the powers of the independent auditor. The Exchequer and Audit Act was passed for the special purpose of extending the functions of the Exchequer and Audit Department; what, as I understand, the House of Commons wants to know is, not what the department says of its own accounts, but what an independent auditor, acting as the functionary of the House of Commons, has to say of them.

796. Mr. Gripper audits these accounts, and it appears that he audits them in pretty much the same manner as you do; now, if Mr. Gripper was your accountant, instead of being the Accountant of the Department of Inland Revenue, and acted for you instead of acting for that department, would not one audit in that case be sufficient?—No; a preliminary examination by the department, who is the Accountant, must of necessity always precede the independent audit. Without an examination of authorities and vouchers, he cannot make up or render his account for audit; let me put this as an illustration; supposing that I were to advance a certain sum of money to my land agent for the purpose of being distributed, partly in effecting drainage, partly in building farm-houses, and partly in erecting fences, with specific instructions as to how the money was to be applied to those various purposes; as a matter of course he would have to render an account of how the money had been expended: it would be his duty to examine the account to see that the money he had received had been expended and accounted for according to instructions; but would the fact of his having examined, or authorized one of his clerks to examine, his account, in order to see that it was presented correctly to his employer, serve the purposes of an audit; and would it not be more satisfactory to the employer to have the guarantee of some separate and independent authority, having no interest in the result, that the employed had duly accounted for and laid out the money in accordance with his instructions? Now, place the House of Commons in the one position, and the Chairman of the Board of Inland Revenue in the other; it is obvious that the Chairman of the Inland Revenue Board cannot be called to account by a subordinate officer, supposing he were inclined to sanction an improper expenditure. If there is to be a check upon the expenditure of the public money, it can only be applied by an officer armed with independent powers to give the information which Parliament requires.

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797. I was not doubting that; but my object was to see if we could not dispense with the time which Mr. Gripper devotes to the examination of these accounts from time to time, as you have to perform the examination in the same way?—It may be dispensed with in one of two ways; by accepting the certificate of the Accountant for the correctness of his account, in which case the function of the Comptroller and Auditor General would be at an end. The certification of the expenditure and appropriation of the Grant of Parliament by the head of the department would in that case supersede the necessity of an examination by any other authority: if such a system should be deemed satisfactory by Parliament, I have nothing to say, except that it would be at variance with all the principles of audit for checking expenditure which have ever been established, either in the public service, or in any public company that I know of.

798. That is one mode; what is the second mode?—The second mode would be to subject the authorities and vouchers to the sole examination of the independent Auditor; but this would involve the necessity of his also making up the account, which would be opposed to all sound principle, inasmuch as it would relieve the Accountant of his proper responsibilities, and throw them on the Auditor, who had not authorized the expenditure. The only sound system is that which is at present in operation, namely, that the Accountant should examine his own accounts, and see that they are correct (it is his duty to see that they are correct before they are rendered); and that the Comptroller and Auditor General should, for the satisfaction of Parliament, audit the accounts, express an independent opinion upon them, and submit his report to Parliament.

799. Mr. *Ayrton*.] The real difference is this: Mr. Gripper is only responsible to the heads of his department, whilst the Comptroller and Auditor General is responsible to Parliament?—That is the difference.

800. In fact, the audit of the Comptroller and Auditor General is an independent audit?—Yes.

801. Can you point out to the Committee any distinction between the accounting for the expenditure of a large department like that of the Commissioners of Inland Revenue and the accounting for the grants for the Army?—I can point out no difference in principle; if Parliament chooses to apply the same system to the Inland Revenue Office, or to any other Department of the State, as at it now applies to the Army and Navy, of course it is in its power to do so; whether it would be a politic act is another thing.

802. Do you understand that the distinction which at present exists between the mode of dealing with the Army and Navy grants and other

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grants, arises from the fact that in the case of the Army and Navy Departments there are establishments for the examination of the accounts, of a very important and responsible character?—Yes; but what is the result: as regards the correctness and verification of the expenditure embraced in the accounts, no certificate or independent evidence of any kind is afforded to Parliament of the proper application of the expenditure.

803. I am wishing to ask you whether, from your observation of the establishments of the Army and Navy and the establishments of the Inland Revenue, the department of accounts of the Inland Revenue is or is not as trustworthy as that of the Army or the Navy, having regard to the magnitude of the department of the Inland Revenue?—I have no doubt it is equally trustworthy, but that it would be very pernicious to extend the system of the Army and Navy to the other branches of the public service I have no hesitation in saying.

804. Why would it be more pernicious in the one case than in the other?—The Army and Navy accounts undergo no kind of independent examination except that of classification. The Comptroller and Auditor General's audit does not reach beyond the duty of classifying the expenditure; he has no responsibility whatever for the verification of that expenditure.

805. What I wanted you to explain was, why it would be more pernicious in the one case than in the other?—I think it would be equally pernicious in all the cases. The system applied to the Army and Navy is a bad system, which in my judgment ought not to be extended.

806. You consider that it is a pernicious state of things which exists in the case of the Army and Navy, and that if we were to introduce the same state of things in the Inland Revenue Department, it would be an extension of that pernicious system?—Certainly; I should reverse the present system of the Army and Navy if it were practicable, and bring it as nearly as possible into consistency with the system now in operation with regard to the accounts of the Inland Revenue Department.

807. There are five departments, are there not, whose expenditure is of such a magnitude that they might be considered as being on the same footing; the Customs, the Inland Revenue, the Post Office, the Army, and the Navy?—The Army and the Navy have a separate system. The system of examination for the Post Office is different from that of the Army and Navy. There are only two services that are audited upon the exceptional system which you have just adverted to, namely, the Army and the Navy.

808. I ask, are not the five departments I have named, as regards the magnitude of their accounts and transactions, and the independent character of the Accountant General and his establishment, very much on a par?—I fancy they are very much on a par as to the independent character of the Accountant General.

809. There is nothing to distinguish between them is there, as regards the independent position of their Accountant General and his establishment, in relation to the general body of officers in the establishment?—No, nothing that I know of.

810. Therefore it is your view, that whatever rule is applicable to the one would be applicable to the other, as regards the external audit?—As a matter of principle, undoubtedly that is my opinion; but whether there are any practical difficulties in the way of extending the complete system of audit to the accounts of the Army and Navy, I am not prepared to say. There might be practical difficulties in carrying the audit out to its full extent in all cases.

811. Supposing the Accountant General and his establishment are so far removed from the actual transactions of the officers of the department in detail, do you think it would be possible to entrust to him the duty and responsibility of the examination of final vouchers?—No, I do not think it would be advisable to entrust him with the sole duty and responsibility; the Accountant General, however far removed from the Sub-Accountant, which is I suppose what you mean, must be always more or less a subordinate officer under the control of the head of his department. Now the check has to be applied, not so much to the subordinates as to the chief of the department, who is charged with the administration of the funds voted by Parliament.

812. That would not apply to my question, which was whether it was necessary to pursue the researches into the accounts to the very final voucher, or whether you might not accept the labours of the Accountant General as satisfactory up to a certain point, namely, where the authority of the administrative department began?—I think it would be unsound in principle to limit the discretion of the Comptroller and Auditor General. As I stated before, I do not approve of the system of audit, or rather of examination, as conducted in the Army and Navy Departments; I do not call it an audit.

813. I want you to distinguish between the abstract principle and its practical application; my question is, whether having regard to the position and character of the Accountant General of any one of those great departments, he might not be entrusted with the duty of examining into the accuracy of the final vouchers, provided you carried your examination up to the point where the authority of the chief of the department began?—No doubt that might be so if Parliament thought fit to direct that his examination should be taken on trust, but, in my opinion, it would be opposed to the principle of a sound system of audit.

814. Do you see any practical difficulty in drawing the line I have indicated, apart from the abstract question of principle?—No; the system is in operation in the Army and Navy, and being in operation in the Army and Navy I should imagine there would be no practical difficulty in applying it to other departments if Parliament thought fit.

815. Do you not think that the difficulties are insuperable of pursuing your theory to the end, and having the final vouchers examined by the Comptroller and Auditor General; are not the difficulties insuperable of applying the external audit to the final vouchers?—No, not that I am aware of.

816. With regard to the expense of building a ship, the final voucher, if you trace the money, is the day-pay note of a carpenter employed upon that ship, is it not?—Probably it may be.

817. It would be so, would it not; supposing a ship was being built, the voucher for the final payment of the money would be the day-pay note of the wages of a shipwright; would it not be so necessarily?—It may be so.

818. Do you think that that ought to be produced to the Comptroller and Auditor General?—Here is a similar case where we have asked for "Statements

"Statements of particulars of travelling charges, expenses of unproductive prosecutions, of removal of officers, and other charges of a similar nature" which "have not been furnished as regards the year 1867–8, but I am informed that these statements will be produced with the Inland Revenue accounts in future;" it would appear then that there is no insuperable difficulty here; it does not seem to have been thought necessary by the Accountant General to call for that voucher, and yet it is acknowledged that it ought to be furnished, and an assurance is given that it shall be furnished for the future. There is a second instance referred to here, and in both cases the final vouchers are to be produced.

819. There is no difficulty, of course, in producing the day-pay note of a shipwright because it exists, but as a practical matter it would be a very formidable thing, would it not, if you were to audit the accounts of the Navy down to that point?—In the course of my examination I have not pretended to set up a scheme; that I have never considered.

820. We must draw a line somewhere?—Yes; and I so far guarded myself as to say that there might be practical difficulties in carrying an audit of that kind out to its full extent.

821. In the exercise of the power given to you, by the section you have read, to dispense with these minute researches into the accounts, would it be possible for you to lay down any rule on this subject, having regard to the independent position of the Accountant General of the department, resulting from the magnitude of the service?—I must draw your attention to the fact that I act under specific powers conferred by Parliament, and under special regulations laid down by the same authority. The powers conferred upon the Comptroller and Auditor General were very fully considered by a special Select Committee; I am not bound to provide a scheme, or to say how far this, that, or the other principle may be carried; my only duty is to act upon the instructions, regulations, and powers prescribed by the Act under which I discharge my duties.

822. Will you kindly read again section 30, which gives you powers to deal with the account?—"In conducting the examination of the vouchers relating to the appropriation of the grants for any service not enumerated in the aforesaid schedule, the Comptroller and Auditor General shall test the accuracy of the castings and computation of the several items of such vouchers;" you will observe that I may do it for a month or a fortnight, or a week, as the case may be; that is one power. Then there is the proviso: "Provided always, that when any vouchers have been certified to be correct by any officers specially authorised to examine the same, it shall be lawful for the Comptroller and Auditor General, with the consent of the Treasury, to dispense with a second examination of the particular item of such vouchers;" that is a power which I have exercised in the special instance which Mr. Gripper has referred to.

823. That clause enables you to prepare a scheme for accepting the vouchers up to a certain point, does it not?—Yes, and I do act upon it from time to time.

824. Could you put before the Committee any definite scheme, with regard to the accounts of the five great departments to which I have referred?—I am of opinion that the extent to which an examination or audit of the expenditure of these several departments should be carried, should be left more or less to the discretion of the Comptroller and Auditor General. It is left, as has been shown, to his discretion, in certain circumstances, by the Act of 1866. He may make it strict when he suspects that an accountant is not so diligent in looking after and rendering his accounts as he ought to be. On the other hand, when he finds from experience that an accountant is diligent and prompt in the discharge of his duties, he would naturally, under the powers conferred upon him by the Exchequer and Act, not look so narrowly into items of final expenditure and vouchers as he would under other circumstances.

825. Are not the remarks which you have made more applicable to what may be called the minor establishments, where they have not necessarily an independent department of accounts, than to the five great establishments where there is practically an independent accounting department?—The fact is that every establishment has, and must have, more or less of an examining department.

826. They have a department of account necessarily, but not an examination department? Every department must give a preliminary examination to its account before it is rendered for audit. It would be a strange rule, if the Comptroller and Auditor General were called upon to be very precise in his examination of the account of a small department, where there is scarcely any room for misappropriation; but, on the other hand, were constrained to hold the rein lax whenever he has to review and criticize the account of a department where the misappropriations may be very great. I think that that would be a false principle to introduce; I would rather let the small fish go, and catch the large ones, if I possibly could.

827. Would it not be a ground, if there were that laxity in a great accounting department, for removing the officers concerned from their engagements, rather than for having a double accounting establishment?—Who is to be the judge, if there was no independent auditor to report upon their financial transactions?

828. Mr. *Fowler.*] If I understand you rightly, what you mean is this, that every department, almost from the necessity of the case, has to set forth an account?—It must set forth an account.

829. From the nature of the case, it must state an account, which account it is presumed to have examined and found correct before you get it?—Yes.

830. And you say that unless there is some independent audit, there is no check upon that?—Yes.

831. But the existence of a double account is almost a necessary result of any audit at all?—Just so; and the whole Act of Parliament from which I derive my powers is based upon the principle which you have just enunciated. It is the business of the accounting department to account for the moneys which have been entrusted to its charge, and the functions of the Parliamentary auditor do not commence until those of the accountant have ceased; when the account has been rendered, and not until then, it becomes the duty of the Parliamentary auditor to examine it, and to report, for the satisfaction of Parliament, whether or not the expenditure has been properly authorised, properly vouched and accounted for, and properly appropriated.

Mr. *F. Gripper.*

30 June 1869.

832. Mr. *Algernon Egerton.*] And also, I suppose, whether the authority of the Treasury was given with the sanction of Parliament or not?—Yes; when I made use of the words "properly authorised," I referred to the sanction of the superior authority, that is, the Treasury.

833. Mr. *Ayrton.*] You mean the authority beyond Parliament?—I mean both Parliamentary and Treasury authority where necessary.

834. *Chairman.*] Would it not be very difficult to carry out an independent audit with the same precision in the case of the Army and Navy Accounts, seeing that they embrace a variety of transactions spread over the whole world, as can be obtained in the case of the Inland Revenue, the Post Office, and the Customs accounts?—I presume, as the present system has been so long in operation, that some such difficulties exist. I have no knowledge of them, seeing that I do not examine the accounts.

835. Do you not apprehend that they must exist?—I apprehend in the expenditure of large sums of money there must be always a difficulty in carrying the audit to the extent I have mentioned.

836. Mr. *Seely.*] Do you think that, as at present conducted, there is any value in the audit of the Army and Navy Accounts?—So far as classification is concerned, it has a value; but, as regards the verification of the accounts, no such thing as an independent audit exists.

837. You think that there is no value, then, in the auditing of the Army and Navy Accounts as it is conducted at present?—I should explain that, with regard to the Army and Navy Accounts, the Comptroller and Auditor General is placed under restrictions by Act of Parliament. He cannot examine into authority, and he cannot examine the detailed voucher in proof of payment. He has no power as to either of these documents, whether as to the authority or as to the proof of payment; he only sees the voucher externally. If that voucher contains evidence of the fact that it has been examined by the departmental officer, he is bound to pass it, however erroneous may be the items contained in the account for which it is a voucher, unless the errors shall be so palpable as to invite the attention of the audit officer, when he may think it proper to bring the circumstances under the notice of the Comptroller and Auditor General.

838. Lord *Frederick Cavendish.*] Can you inform the Committee how many of your officers are employed in conducting this audit of the Inland Revenue Department?—There are nine officers employed.

839. Can you state, approximately, what the cost is?—In a round sum, I suppose you may take it at from 2,000 *l.* to 2,500 *l.* a year; the question is a very pertinent one, inasmuch as it tends to show the kind of audit applied to the Army and Navy expenditure; I have only one auditor in the Navy department, and four in the Army; the independent examination must be one of a very limited character in which the services of a single officer only are required for one department of that magnitude, and four for another.

Mr. George Chetwynd and Mr. William Court, called in; and Examined.

Mr. *G. Chetwynd* and Mr. *W. Court.*

840. *Chairman* (to Mr. *Chetwynd*).] Will you state your official position?—I am Receiver and Accountant General of the Post Office.

841. (To Mr. *Court.*) Will you state your office?—I am Principal Book-keeper in Mr. Chetwynd's office.

842. Mr. *Ayrton* (to Mr. *Chetwynd*).] The Committee wish you to explain to them how the excess of 11,677 *l.* 16 *s.* 11 *d.* occurred in respect of the chief offices in London, Dublin, and Edinburgh, upon the expenditure of the Post Office, as shown in the Appropriation Account at page 54?—The greater part of that arises from a transfer from sub-estimate H. "Buildings," to sub-estimate A. "Salaries," which transfer was made at the instance of the Audit Office.

843. It was a rectification of account by charging the expenditure under different sub-heads?—Yes.

844. And there is a saving under sub-head H., more than in proportion to this excess?—Yes; it arose principally from law costs incurred in the acquisition of a new site for the General Post Office at St. Martin's-le-Grand. The Audit Office thought the law costs should be charged to sub-estimate A., bringing them under the head of "Chief Offices," and not under sub-estimate H. "Buildings."

845. Does sub-head H. include the estimate for all the expenses of the new Post Office at St. Martin's-le-Grand?—No; sub-estimate H. included the expense of acquiring the site; the way we looked upon it was, that we could not acquire a site without law expenses; and we therefore charged the law expenses to sub-head H.; but the Audit Office thought it would be better to put the law charges to sub-estimate A., and we complied with their wish.

846. Then, with regard to the excess of expenditure of 6,638 *l.* 9 *s.* 10 *d.* upon the allowances to Government agents on board mail packets, and other expenses appearing upon the same account, can you explain how that occurred?—It occurred chiefly from the payment of arrears for light dues and port dues which were due to the City of Dublin Steam Packet Company. The question of the light dues and port dues had been standing over for some time, and eventually the department were satisfied that the company had an equitable claim to be paid this money, and they paid it.

847. It was an arrear resulting from a prolonged dispute?—Yes, mainly. It partly arose also from some arrears due to the Admiralty for payments made by the Admiralty for us abroad, which they did not bring in early enough to be included in previous accounts.

848. Those would, of course, be treated as receipts by the Admiralty, and paid in as extra receipts?—No; the Admiralty made the payments at the time for us, and they recovered this money from us afterwards; we were then obliged to charge it to Contingencies under the Packet Vote.

849. You will see that, in the Comptroller and Auditor General's Report, at page 60, he states this: "In the 6th paragraph of my Report, on the account for 1866–7, on the subject of the application of void money orders, or other public moneys not voted by Parliament, I referred to the Report of the late Commissioners for Auditing the Public Accounts on the Post Office Appropriation

priation Account for 1865–6 :" then he goes on to say, " No decision having been arrived at on this subject, either in the Treasury Minute or in the Report of the Committee on Public Accounts, I have deemed it right again to refer to this point"; can you give the Committee any information as to the state of that question?—That question is still under consideration. The Treasury have applied to the Post Master General for some observations upon it, and I believe the matter is still under consideration.

850. No decision has been arrived at as to how this money is to be treated?—No.

851. What is done with void money orders now?—The money derived from them is partly applied to the insurance of the lives of officers of the Post Office to a considerable extent, and it is employed also in the payment of bad debts of postmasters which their sureties cannot pay, and occasionally in reimbursing the public for losses on money orders in particular cases.

852. Do you mean that you eliminate those bad debts from the accounts?—Yes; out of the void money order fund we pay the debts of such postmasters as are unable to pay when their sureties also are unable to pay.

853. So that you do not show either the one or the other in your accounts?—No, not in these accounts.

854. Mr. *Seely.*] When did you begin to consider this question which has been referred to the Postmaster General?—I suppose it was begun at the time referred to in the Report.

855. When was that?—Two or three years ago.

856. Mr. *Ayrton.*] In 1865?—Yes.

857. Mr. *Seely.*] You have not come to a decision yet?—It is not in my hands; it is in the hands of the Postmaster General.

858. But no decision has been come to?—Not to my knowledge.

859. Mr. *Ayrton.*] What is the explanation that has been given; is there any difficulty in dealing with this matter?—No difficulty that I am personally aware of; it was under a Treasury letter of February 1852, that this void money-order fund was authorised to be applied in the manner I have mentioned; it was considered that it would be a great advantage to the officers of the department to induce them to insure their lives.

860. Mr. *Fowler.*] What is the usual amount per annum that you get from void money orders?—About 3,100 *l.*

861. Mr. *Ayrton* (to Mr. *Foster*).] Do you know whether there are any extra receipts coming from the Post Office?—Yes, of other kinds.

862. (To Mr. *Chetwynd.*) Are they of considerable amount?—Yes; there is a large sum for the packet service. The India Office pays us back something like 117,000 *l.* a year towards the cost of the Eastern service: the Australian Colonies repay us something like 100,000 *l.* a year.

863. Are there any extra receipts arising from the internal administration of the Post Office?—I think we have shown them in the Estimates.

864. Are they shown in detail?—Yes, in considerable detail.

865. Why were not these items that we have been speaking of treated like other extra receipts?—The other extra receipts arose in another way; they have nothing to do with the money-order fund at all; these void orders are treated as an entirely separate fund.

866. The money so obtained is, in point of fact, a receipt of money by the Post Office which it keeps, and does not expend?—Yes; it is money which has been paid in at certain post offices and not claimed by the public, and which becomes forfeited under an Act of Parliament.

867. Mr. *Fowler.*] It is an extra receipt, in fact?—It is money received from the public, and not claimed by the public.

868. Mr. *Ayrton.*] It has been hitherto applied to cover defalcations and inaccuracies of payment, if I understand you rightly?—Yes; if a case arose where a wrong person had been paid upon a money order and the people who lost by it were poor people, the Postmaster General would very probably make up the amount to them out of this fund.

869. In point of fact, it becomes what would be called commercially the profit and loss account of the department?—It becomes a fund applied to those three particular heads which I have stated.

870. You keep it as a profit and loss account, putting the money received for these void money orders to profit, and putting on the other side the losses that arise in the transaction of the business?—Yes.

871. Is there any difficulty in paying this money in as an extra receipt?—We have no vote out of which to pay for the insurance of the officers' lives; by paying this in as an extra receipt, you would deprive the officers of a benefit which they have enjoyed for 17 years.

872. Has not the present system the effect of not showing Parliament the amount that is devoted to that purpose?—It is a very small amount; it comes to an average of 16 *s.* 1 *d.* per man.

873. It is so much more paid to them as salary, is it not?—No doubt it is; but it is only 16 *s.* 1 *d.* each per annum.

874. It is not altogether a trifling sum, for it amounts to 3,000 *l.* in the whole; it might appear in the Estimates as an item of so much paid in addition to the salary, might it not?—Yes.

875. That, added to the salary of the officers, would show the total payment on account of those individuals for the year?—We hardly regard it as salary; it is aid that was given to the men, with a view to induce them to insure their lives.

876. That is salary, if you give an officer so much yearly for his own benefit?—He only gets on the average, 16 *s.* 1 *d.* per annum from the fund, and he has to pay perhaps 20 *l.* or 30 *l.* himself for his life assurance.

877. Mr. *Fowler.*] They call it an extra receipt perhaps?—Yes.

878. Mr. *Ayrton.*] The remaining 29 *l.* of his premium is a part of his salary that he pays himself?—Yes, it is part of his salary or other income.

879. Lord *Frederick Cavendish.*] Why is there no statement of the extra receipts annexed to these accounts?—Because the rule requiring it did not come into operation until the year following this; we shall show them in the present year's accounts.

Mr. *G. Chetwynd* and Mr. *W. Court.*

30 June 1869.

Mr. Morgan Hugh Foster, C.B.; further Examined.

Mr. *M. H. Foster.*

30 June 1869.

880. *Chairman.*] Will you be kind enough to state what office you hold now?—I am the Principal Clerk in the Financial Division of the Treasury.

881. With reference to payments of surplus income into the Bank of England on account of the Commissioners for the Reduction of the National Debt, of course the repayment to the Bank of England of any advances that have been made always has a priority over a payment on account of the funded debt?—That is optional; the decision as to the manner in which the surplus shall be applied to the payment of debt rests with the National Debt Commissioners. It is, however, not unusual for the National Debt Commissioners to consult the Treasury as to whether temporary or permanent debt should be paid off; but it constantly happens that there is no occasion to apply the surplus to pay off advances made by the Bank of England, and the surplus is then spent in paying off permanent debt. It is only when the Exchequer balances are low, and the revenue is not coming in well, and when, therefore, it appears to the Treasury that by paying off advances out of the current revenue the balances in the Exchequer will be reduced to an inconvenient extent, that we apply to the National Debt Commissioners to employ any surplus there may be in payment of those advances, so as to prevent the necessity of applying current revenue to pay them off.

882. Mr. *Ayrton.*] You will observe, at page 4 of the Report upon the Consolidated Fund Account, that the Comptroller and Auditor General says, after stating certain facts: "It would thus appear, not only that charges remain upon the Consolidated Fund under the head 'Advances' recoverable from funds which have no longer any existence, but also that a distinct provision has been made by Act of Parliament that these charges should no longer be borne upon the Consolidated Fund, but should be voted from year to year;" can you explain exactly how that has arisen?—I think there was an omission in the Act referred to by the Comptroller and Auditor General; but, in reading the Act, I do not agree entirely with that statement of the Comptroller and Auditor General. The Act refers to compensations of the Court of Chancery, but those in question were compensations of the Court of Exchequer, and therefore, strictly speaking, the words of the Act did not cover these pensions. We have, however, taken the advice of our solicitor upon it; he was doubtful upon the point, but finally came to the conclusion that as the funds upon which the pensions were charged had disappeared, the spirit of the Act would allow us to cease charging the deficiency on account of those pensions to the Consolidated Fund, and we have ceased to do so.

883. In consequence of that they are now transferred to the Votes, are they not?—Yes.

884. Now as to the dividends; it is stated in the report, "Accounts have heretofore been rendered to this department by the Bank of England and by the Commissioners for the Reduction of the National Debt, showing the receipt and distribution of the sums issued to them, but no accounts have been rendered to this department by the Bank of Ireland; it appears to me to be a question for consideration whether there is any public advantage in subjecting the accounts of the Bank of England for the distribution of the dividends of the public debt to examination in this office, or whether the objects of Parliament are not fufilled by the record afforded in the accounts submitted annually to the House of Commons, and the certificate required by section 21 of the Exchequer and Audit Act;" can you give the Committee any further explanation as to the possibility or practicability of dealing with the accounts of the Bank of England in the way suggested?—It appears to me that the system of dealing with the dividend accounts of the Bank of England and of the Bank of Ireland ought to be identical, which is not the case at present, but, without further inquiry, I think it would be undesirable to discontinue the audit of the Bank of England Dividend Account, because it is possible (though I have not had time to look into the question), that the proof of the correctness of the unclaimed dividend account depends upon that examination.

885. Do you think it would be a sufficient voucher for the purposes of audit, if the Bank of England were to render a certificate that they had paid so much away for the dividends up to that time, without rendering a detailed account of the sum paid to each individual for his dividend, provided they furnished a statement of upaid dividends at a certain period after the dividend was due?—How far it would be proper entirely to trust the Bank of England, when you will not trust the Secretary of State for War and other departments, I am not prepared to say. I should not like to give an opinion without looking into the mode in which the Bank keeps its accounts, and ascertaining what control and check there is, that the right sum on account of unpaid dividends reaches the Exchequer.

886. In short, you would wish to have an accurate statement of the mode in which the Bank itself conducts its operations and arrives at the amount of unpaid dividends?—Before giving an opinion, I should like not only to have that statement, but to investigate its books, and watch the system in operation.

887. Do you think it desirable that that should be done so as to prevent, if possible, the necessity of going over all the dividend accounts twice?—I think it would be desirable to investigate the system, and see whether the accounts now rendered may not be dispensed with; but I should not like to state offhand that they could or could not be dispensed with. (Mr. *Ryan.*) We cannot see that the right persons get the money. We can only see that the right sum is paid; whether the right persons get it, or not, we do not know.

888. Mr. *Ayrton.*] You are aware that the Bank of England is, by law, responsible to the Government and the public that the dividends are paid to the right people, and that the Government accepts no responsibility in that respect, but puts it entirely upon the Bank?—Yes.

889. To go into that inquiry would be to share with the Bank that responsibility, would it not?—That is what we do now, to a certain extent. (Mr. *Foster.*) What I want to see is, that the money has absolutely been paid away. The Bank would be responsible if it paid the money to the wrong person; but what I want to know

know is, that it has really been paid, and that unclaimed money has not been carried to an insurance fund as is done at the Post Office, or been otherwise disposed of.

890. In fact, that the unpaid dividends are returned, as they should be, to the Exchequer?—(Mr. *Ryan.*) They do not reach the Exchequer; they are paid over to the Commissioners of the National Debt after 10 years, for the extinction on the debt.

891. But they are accounted for to the Exchequer, and in the advances which are made for the payment of dividends; you only advance with reference to the actual payment made by the Bank?—With reference to the payments due.

892. With reference to the payments due and made?—(Mr. *Foster.*) The Treasury pays the whole amount due for the dividends, and the Bank of England certifies at the close of each quarter the balance remaining in its hands, and the Treasury may then call upon the Bank to repay any excess that there may be above 100,000 *l.*, or may issue to the Bank any deficiency there may be below that sum.

893. *Chairman.*] Seeing that the Bank is accountable to each individual creditor for the payment of his dividend, there is scarcely room or scope for the application of an appropriation audit to their account, is there?—Not beyond what I consider may be desirable; that is, to see that all the sums which they say they have paid have really been paid.

894. Mr. *Fowler.*] That involves an actual audit?—It is an audit that could be carried out rapidly, because you would not have to look to the genuineness of the signature, or anything of that kind.

895. But you would have to see that there were payments actually made, corresponding with the statement?—You would have to see that certain payments had been made to somebody.

896. Mr. *Ayrton.*] Before determining whether it is or is not necessary to have an audit for that purpose, you would have to examine the mode in which the Bank of England itself examines and checks its accounts?—I think so; they may keep their accounts in a way that would quite satisfy us that there is no room for collusion or agreement among the clerks to charge sums as paid which are not paid.

897. Mr. *Fowler.*] To take the case you put, supposing that by some collusion a dividend has not been paid, and there is no record of its not having been paid, and it appears that it has been paid, if the man who was entitled to it could prove that he had not received it, he would have a claim upon the Bank of England?—Yes; but supposing the bank books show a dividend as having been paid, which has not been paid, and supposing the stockholder never claims it, we do not get the unclaimed money. (Sir *William Dunbar.*) If there is any virtue in the system, it would appear that it ought to apply to the Bank of Ireland; the Commissioners of Audit, 10 years ago, called the attention of the Treasury to the fact, that while accounts were being rendered to them by the Bank of England, no such accounts were rendered by the Bank of Ireland; as no notice was taken of that communication, I presume the Treasury do not attach much importance to the fact of these accounts passing through the Audit Office.

898. Lord *Frederick Cavendish* (to Mr. *Foster*).] In the Treasury Minute of the 22nd of February of this year, it is stated, "My Lords are at present without information as to the system of check and audit of these payments which is adopted within the Bank; they will cause inquiry to be made on this point;" has any such inquiry yet been ordered?—Not yet; there has not been time to do it; we have been too busy with the Budget, and other things.

Friday, 2*nd July* 1869.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Liddell.
Lord Frederick Cavendish.	Mr. Pollard-Urquhart.
Mr. William Fowler.	Mr. Seely.

WILLIAM POLLARD-URQUHART, Esq., in the Chair.

The Honourable Charles A. Gore, called in; and Examined.

Hon. *C. A. Gore.*
2 July 1869.

899. *Chairman.*] Will you state your official position?—I am a Commissioner of Woods and Forests and Land Revenues.

900. Mr. *Ayrton.*] You will observe that in the abstract of the accounts of your department, audited and laid before Parliament for the year ending 31st March 1868, at page 5, there are items of 8,715*l.* 6*s*; 415 *l.* 17 *s.* 1 *d.*; 431*l.* 14 *s.* 1 *d.*; 242 *l.* 17 *s.* 2 *d.*; 3,920 *l.* 1 *s.* 6 *d.* for expenditure for various salaries and expenses of officers. The Committee are anxious for you to explain why these charges were not included in the Estimate laid before Parliament for the office of the Commissioners of Woods and Forests?—I think the Select Committee on Public Monies in 1857 made a Report upon that subject, and the Lords of the Treasury made a Minute on the 15th of February 1858, in which I find the following words, "Looking at the peculiar nature of this revenue, which only belongs by law to the public during the life of the Sovereign, my Lords deem it advisable to postpone the consideration of any further interference with the provisions of the 10 Geo. IV., c. 50, s. 113, for the application of the annual income of the land revenue, and of the Act 1 & 2 Vict., c. 2, for the present Civil List, until a future investigation preparatory to a new surrender of the revenue of the Crown lands to the public, and the grant of a new Civil List to the Crown."

901. That would be postponing it until the close of the present reign?—Yes; I might mention perhaps the reasons for adopting that course. Under the provisions of the 10 Geo. IV. c. 50, s. 113, and the Civil List Act, 1 & 2 Vict. c. 2, the public are entitled, during the life of Her Majesty, to the net proceeds of the land revenue after payment of expenses of management. The expenses of management are subject to the control of the Treasury. It would be a breach of the compact on the faith of which the Civil List was accepted to place it in the power of the public, as tenants for life, to refuse to grant the sums necessary to maintain the Crown property in its integrity for the benefit of the Queen's successors as reversioner.

902. That, you will observe, would apply to expenses for improving the Crown estate, and not to the item with respect to which the Committee wish for information, namely, the salaries?—These are poundages. The poundages to the receivers for the management of the property form part of the costs, charges, and expenses of management; I cannot separate them from the costs, charges, and expenses of management.

903. Mr. *Fowler.*] Do you mean to say that the poundage is 8,715*l.* 6*s.* upon the amount of costs, charges, and expenses of management?—Of those items, which the secretary to the Treasury has just alluded to, 3,920*l.* are for surveys of Crown property.

904. It is called "salaries and per-centage of receivers, &c."?—Yes, that is the 8,715*l.* 6*s.*

905. Mr. *Ayrton.*] Perhaps you can state under some convenient subdivisions what the item of 8,715*l.* 6*s.* is composed of?—As far as the property in charge with me is concerned, there are five receivers: Mr. Higgins and Sir John Kirkland for the London estate, Mr. Clutton, Mr. John Higgins, and Mr. Day for the country estates; the receipt of the two former from the London estate amounts to about 148,000*l.* a year, and the receipt of the three latter from the country estates amounts to about 125,000*l.* a year.

906. That receipt is spread over the whole of the kingdom, is it not?—That receipt is over the whole of England; I find that out of that sum alluded to just now, namely, 8,715*l.* 6*s.*, Mr. Clutton's poundage amounts to about 3,700*l.*, Mr. John Higgins's to about 1,480*l.*, and Mr. Day's to about 220*l.*

907. Mr. *Fowler.*] Upon what scale or principle are the poundages allowed to them?—At four per cent.

908. *Chairman.*] Are the expenses of the London office of Woods and Forests now defrayed out of the Vote?—By an arrangement made by Parliament in 1851, the salaries of the Commissioners and clerks are defrayed out of the Vote.

909. Can you tell me upon what principle it was arranged that the expenses of the London office should be defrayed out of the Vote of Parliament, while the other expenses of management come out of the sum paid into the Exchequer?—I think it was done upon the principle that poundage was a better mode of payment for the receivers,

receivers, because I think, as a general rule, people work better when they have a direct pecuniary interest in the profit derived from their work.

910. Are there no salaries included in this amount except those defrayed by poundage out of the receipts?—None, except in the case of the London property.

911. Mr. *Ayrton.*] The sums expended under the head of "Surveys of Crown Property" are, of course, paid for making surveys?—Yes.

912. The rest are disbursements arising out of the adminstration, such as the allowances to Crown tenants?—Yes; with regard to what I have just stated as my opinion as to poundage being the better mode of payment to the receivers, I may mention as a matter of fact that whereas the net revenue of the Crown, which in 1852-3, when the Office of Works and the Office of Woods and Forests were separated, amounted to 252,000 *l.*, last year 360,000 *l.* was paid into the Exchequer, and this year, according to an estimate submitted by the Chancellor of the Exchequer to the House of Commons, it will amount to 375,000 *l.*; the net income has thus increased 50 per cent. since 1852, while the charge upon it for ordinary and current expenses of management has not increased more than six per cent.

913. *Chairman.*] Can that increase be depended upon as continuing every year, or did part of it arise from extraordinary circumstances, such as sales of timber and so forth, at particular times?—No; these were the ordinary receipts.

914. Mr. *Liddell.*] Does not that increase arise from re-valuations having been made of property or from reclaimed lands or from similar cause?—It arises from general improvements, from drainage, and the increase which is taking place in the value of property; in fact, there are some properties near London which have been let formerly at agricultural rents and which have now attained a building value from the tendency of people, especially of men of business, to live in villas instead of living in the metropolis.

915. To take the case of one part of the Crown property, have you brought a considerable quantity of waste land into cultivation in the New Forest during the period you have spoken of?—There are some plantations, but Mr. Howard will be better able to answer that question, for I have nothing to do with the forest.

916. Mr. *Forster.*] I do not quite understand about this poundage; the total amount of Crown rents is put down here as 352,793 *l.* 9 *s.* 4 *d.*, you said that the charge was four per cent.; that would amount to a good deal over 12,000 *l.* a year; I do not see where that is put down on the other side of the account?—It does not amount to that, because the Receivers for London are paid not by poundage but by fixed salaries, so that although the Crown rental for London amounts to 148,000 *l.*, one receiver receives 700 *l.*, and the other receives 500 *l.*, but then they have only the collection of the rents, and no portion of the management devolves upon them.

917. *Chairman.*] We wish to have a little explanation of the account at page 14, of the General Abstract; we did not understand what the head of "Persons" meant?—It refers to the individuals who have balances in their hands; receivers and others.

918. Mr. *Ayrton.*] When the Treasury came to the determination to adjourn the question of voting in supply the charges in connection with the land revenue, had they the power under Act of Parliament of determining what sum should be charged to the votes in supply, and what should be paid out of the receipts; had the Treasury the power under the Act of deciding how the charge should be made?—No; I apprehend that no change could have been made without an alteration of the Act of Parliament, under which the land revenues of the Crown are managed.

919. But when the Treasury undertook to determine how much should be charged to the votes in supply and how much should be charged to the receipts, had they not under an Act of Parliament power to decide that matter?—No.

920. Are you sure?—Yes; the transfer to the Vote of the salaries of the Commissioners and clerks was done under the special Act which separated the Office of Works from the Office of Woods.

921. But did not that give the Treasury the power of determining how the expenditure of the Department of Woods should be provided for?—As regards the salaries of the Commissioners and clerks, but not otherwise, the Act directed that such expenses should be defrayed out of the Vote.

922. Mr. *Seely.*] Are the receivers all paid 4 per cent.?—No; the receivers of the country districts are, but not the London receivers. If the London receivers had 4 per cent. upon 148,000 *l.*, it would be upwards of 5,000 *l.*, and practically they only get 1,200 *l.*

923. The country receivers get four per cent.?—Yes.

924. Does that clear every expense?—Every expense connected with the receipts. They get a per-centage upon the expenditure upon new works. Supposing a new farm-house has to be built at a cost of 1,000 *l.*, then the architect's per-centage upon that would have to form part of the expense.

925. Would it be paid, for instance, to Mr. Clutton?—It would be paid to Mr. Clutton, if Mr. Clutton was employed to furnish the plan for those new buildings, or to whomsoever might be employed.

926. But does the 4 per cent. which is paid to the country receivers include every expense for collecting the rents?—Every expense.

927. Both in London and in the country?—Yes.

928. Then the agents employed in the country to receive the rents from the parties are paid by Mr. Clutton, for instance?—No, he receives them himself.

929. He goes down?—Yes, he goes down.

930. Then we have no office in the country or in London for which we pay anything or any other expenses on account of receipt of rents?—No.

931. Mr. *Liddell.*] Does not that system, which appears to be pursued, of paying a per-centage upon expenditure rather lead to the inference that the persons employed in it encourage expenditure, in order to obtain a larger per-centage?—I do not think it does, because you must bear in mind, first of all, that if the Commissioner of Woods does his duty he only sanctions such works as he considers to be a necessary improvement to the property, and secondly that the tenant has to pay either by his increased rent, or as a per-centage upon the outlay made upon his farm, a sum which he would be unwilling to pay, if it were for a work which was unnecessary for his farm.

932. I do not put the question as a personal matter

Hon. *C. A. Gore.*
2 July 1869.

matter with regard to the public servants, but I am rather attacking the system; I want to know whether or not it is your opinion that it is wise with a view to economy to pay any persons employed in a public situation by a per-centage upon expenditure?—I think it is in this case, because no expenditure can be made without the consent of the tenant, and the tenant has to pay in the shape of rent or as per-centage, a certain yearly return upon the outlay made.

933. The one acts as a check upon the other?—He acts as a very considerable check upon the expenditure.

934. *Chairman.*] If you turn to page 5, the last item but two, you will see "Fixed Charges, Pensions, Stipends, and Allowances, 7,480 *l.* 15 *s.* 6 *d.*," will you be kind enough to give the Committee an idea of what those are?—They are charges made by former Sovereigns when they had the absolute right of property, and were granted to dependents or others for services or by favour.

935. Are they all in the nature of pensions?—No, they are permanent charges.

936. Mr. *Ayrton.*] They were granted at a time when the Crown had the power of charging its land revenue?—Yes.

937. They are ancient grants?—Yes.

938. *Chairman.*] They are none of them salaries for work done?—No.

939. Mr. *Ayrton.*] They were granted before the Act of Queen Anne?—Yes.

940. Mr. *Seely.*] I see there is a sum of 431 *l.* 14 *s.* 1 *d.* charged as "Incidental Expenses of Receivers," what is that for?—That is to pay for postages, audit dinners, and such like charges; it consists chiefly of the expenses of audit dinners.

941. I understood you to say that the four per cent. covered every expense of receiving?—Not the audit dinners.

942. *Chairman.*] Nor postage?—Nor postage; but the postage is a very small item; they are for audit dinners chiefly.

943. Are the stamps upon receipts included in the four per cent.?—Receipts given to Crown tenants upon payment of their rents are not subject to stamp duty.

944. Mr. *Ayrton.*] With reference to the items in page 9, in the same accounts, "Salaries and per-centage of Receivers, 2,644 *l.* 18 *s.* 4 *d.*, and Incidental Expenses of Receivers, 353 *l.* 18 *s.* 11 *d.*," your observations already made would apply to those salaries and per-centages equally with the others?—Yes; the same principle would apply to those items also.

945. I suppose you can explain to the Committee how, under the Act for dealing with the Mines Account, part of the receipt goes to the capital fund of the land revenue, and only part to the revenue?—Yes; it is under the Crown Lands Act of 1866. A moiety goes to the capital account.

946. Lord *Frederick Cavendish.*] Is the expenditure in Windsor Forest under you?—It is under me.

947. Can you give the Committee any of the items of this 21,225 *l.* 9 *s.* 2 *d.* for "Expenditure on Windsor Parks and Woods," which seems a very heavy amount?—You are aware that there are 13,000 acres of pleasure-ground which costs a considerable sum to maintain. The details of this amount of expenditure will be found at page 165 of the Report to Parliament of the Commissioners of Woods for 1868. This park and the pleasure-grounds, with the extensive plantations surrounding it, together with Ascot Race-course, and the estate of Bagshot, Virginia Water, &c., containing altogether about 13,000 acres, are not maintained for the purposes of revenue, but a part of the domain attached to Windsor Castle, the residence of the Sovereign; and for the enjoyment and recreation of the public. It would be obviously unreasonable to consider the income arising from, and the expenditure upon this property as a matter solely of profit and loss.

948. Mr. *Ayrton.*] Under the Civil List Acts the expense of keeping up the park is to be paid, in addition to the fixed charges for the Civil List, is it not?—Yes; it forms part of the charge.

949. Lord *Frederick Cavendish.*] The New Forest, I suppose, is under Mr. Howard?—Yes.

950. Mr. *Liddell.*] In the management of your mining property have you established a reserve fund to provide for the ultimate exhaustion of the corpus of the estate?—The payment to capital of a moiety of the sums derived from the mines forms that fund to which you refer.

951. Do I rightly understand that a moiety of the whole proceeds of the mines is applied in the shape of a reserve fund, and placed to capital?—Yes; a moiety is placed to capital, as you state.

952. Mr. *Seely.*] Is it a moiety of the gross amount or of the net amount?—A moiety of the net amount.

953. Mr. *Ayrton.*] For the purpose of this account all the charges connected with the mines are deducted from the gross receipts from the mines?—Yes.

Mr. James Beeby, called in; and Examined.

Mr. *J. Beeby.*

954. Mr. *Liddell.*] Will you be good enough to turn to page 7 of the Greenwich Hospital Accounts; at the bottom of the page I find an entry of "Provisional Investment of Surplus Balance on Income Account," amounting to 25,000 *l.*; would you be so good as to tell me whether that large sum of money represents a real surplus arising within the year?—No; it is called a provisional investment, because it is so much of the floating balance as can be spared for temporary investment, so as to realise some dividends upon that investment until the money may be required.

955. Then I apprehend in the following year, unless required, it will appear in the capital accounts, and the interest alone will appear in the income account of the subsequent year?—No; it is a provisional investment, and therefore we should not place it to capital.

956. But is not that rather delusive; if you invest a large sum of money, amounting to 25,000 *l.*, even although it is a provisional investment,

ment, ought it not strictly to appear as capital in the subsequent accounts?—It really is not capital if it is required to be disbursed afterwards.

957. But do you mean, then, that it is invested for very short periods, and that the stock is resold to meet expenditure as it may arise?—It is so; instead of leaving the balance in the hands of the Paymaster General, without any profit from it, it is thought, in the interest of the Greenwich Hospital estates, better to invest it, and realise dividends upon it until the money may be wanted.

958. Mr. *Seely.*] At page 10, I find that there is a sum of "5,874 *l.* 14 *s.* 6 *d.* in respect of sales of produce which took place within the period of this account." Is that money owing to the hospital?—That amount represents the bills given for the sales of wood and ore outstanding at the close of this account. The sales took place within the period of the account, but the cash was not actually received, but only bills, and that sum is the amount of bills outstanding until they come to maturity.

959. Are the bills placed in the Bank of England to the credit of the account?—They are lodged in the Branch Bank of England at Newcastle until they are due; the amount is then placed to the credit of the Greenwich Hospital Income Account.

960. *Chairman.*] Would it not be entered regularly amongst the receipts?—Not until the cash is actually received, this being a cash account.

961. Mr. *Seely.*] Would it not be better to append a note at the foot of the account, stating that this amount has been received in bills?—Since seeing the observation on this point, I think it would be better to do so, and I intend to do so in future accounts.

962. Will you furnish an account of the gross income of the hospital, and the charges upon it?—I will.

963. Mr. *Ayrton.*] It will be a statement of the income proper for the year, and the payments on account of the hospital apart from payments connected with capital and the balance of former transactions?—Yes.

964. Mr. *Liddell.*] I find that there is an annual transfer from the Income Account to the Capital Account, of 10,000 *l.* I believe that that is by Act of Parliament; will you tell me whether that includes a reserve fund to provide against the exhaustion of the mines or not?—It does.

965. It amounts, I believe, to a moiety of that sum, that is to say, 5,000 *l.*, does it not?—There was not any particular sum stated on that account, but it was to be a general reserve to meet the probable exhaustion of the mines and other contingencies.

966. Under the head of "Other Contingencies," I suppose the case is provided against of emergencies arising when the operations of the hospital might be carried on on a much more extended scale than at present?—Yes, but that is not done by Act of Parliament.

967. Are you sure of that; is there nothing in the Act of 1865 relating to it?—Not prescribing any investment.

968. Mr. *Ayrton.*] You will observe that there are, in this account, charges on the Income Account, which are properly income charges, which would go in diminution of the income, notwithstanding that the general appropriation of the net sum is voted by Parliament; or rather, notwithstanding that the balance goes to the Consolidated Fund; such charges as these of 1,049 *l.* and 9,427 *l.* and 193 *l.* are charges upon the income?—Yes.

969. Those would have to be deducted to show the net income?—Yes.

970. *Chairman.*] Near the bottom of page 10, the Comptroller and Auditor General remarks upon the delay in the delivery of the accounts; can you assign any particular reason for this delay having occurred?—The delay arose in consequence of a correspondence between the Admiralty and the Audit Office as to the form in which the account should be rendered, that is to say, whether it should be rendered as a service account, to show the whole of the transactions belonging to the year, or as a cash account. It took a considerable time before a decision was arrived at upon that point, and that was the cause of the delay. The principle having been settled, such a delay will not again occur.

971. Mr. *Ayrton.*] The principle is settled upon the basis of a cash account; the receipts and payments within the year are to form the account of the year?—Quite so.

972. Mr. *Liddell.*] I find that the proceeds of the sales of the produce of mines amounted in the last year to 6,889 *l.*, that is on the face of the account?—Yes.

973. Consequently, reverting to this question of the 10,000 *l.* reserve, that represents in one year a very much larger amount than the whole of the annual proceeds of the mine, does it not?—Yes.

974. That 6,889 *l.* represents the whole of the proceeds of the mineral property of the hospital?—Yes; the whole of the cash receipts for that year.

975. And this 10,000 *l.* represents a very much larger sum than the annual proceeds of the mines?—Yes.

976. Is there, practically, any limit to the power that the Admiralty have of augmenting that Reserve Fund, or may they lay by as much as they think fit?—There is no limit; the Admiralty may lay by as much as they think fit.

977. The consent of the Treasury is required for it?——

978. Are you quite sure upon that point, or does that power lie within the department itself?——

979. Mr. *Seely.*] Is that 10,000 *l.* to cover the exhaustion of the mines?—Only partly.

980. What is it for besides; it appears to me to be simply 10,000 *l.* that you have to spare; it does not appear to me that there is any proportion of the produce of these mines put aside; where is the half of the produce of these mines put to account?—There is no rule of that sort, that half of it is to be put to account.

981. Mr. *Ayrton.*] The actual charge on the hospital funds which is voted by Parliament is repaid out of the hospital receipts, is it not?—Yes.

982. Is it the amount voted, or the actual expenditure?—The actual expenditure on account of the hospital.

983. It is first paid out of monies voted by Parliament?—Yes.

984. And then the monies voted by Parliament are reimbursed out of the funds of the hospital?—Yes, out of the funds of Greenwich Hospital to the Consolidated Fund.

Mr. *J. Beeby.*
2 July 1869.

985. What was the charge so to be repaid for the year to which this account relates?—The expenditure is 115,445 *l.*

986. Then there is another item just below of 15,480 *l.*?—Yes; that is the 15 *l.* a head for the number of men in Greenwich Hospital, short of 1,400.

987. The total expenditure on account of Greenwich Hospital was 130,925 *l.*?—Yes, it was.

988. Then if that be deducted from the net income, that is to say, the gross income after the deduction of usual charges, the balance would seem to be the surplus of the fund for the year?—Yes.

989. Could you make out a statement showing that, apart from the operations connected with the capital account?—Yes, certainly; I will hand it in.

990. Mr. *Liddell.*] Do you know whether any considerable portion of this Reserve Fund of which we have been speaking is appropriated to the replacement of this large amount of stock, that is to say, the capital which was employed in the commutation of the life interests of former officers of the hospital?—Yes, it is to meet that partly; that is one of the reasons for which it is set aside.

991. Mr. *Seely.*] Is there a fixed sum set aside to increase the Capital Account; that is to say, is the expenditure kept within such a limit in proportion to the receipt as to give a surplus of a certain sum?—Yes; that is what we aim at.

992. What is the sum that you aim at?—Ten thousand pounds.

993. Then your endeavour is always to have a surplus of 10,000 *l.*?—That was the view of Mr. Childers; there was no authority for it, but he took that view in the first instance, and we have arranged the expenditure so as to leave that balance at the end of the year; there should be a margin, in fact, to that extent.

994. And the 10,000 *l.* you consider as being necessary to recoup you for the exhaustion of the mines and the payment of 157,000 *l.* odd for the purchase of annuities?—Yes.

995. Mr. *Liddell.*] But there is nothing that you are aware of to prevent Mr. Childers from making that 10,000 *l.* 20,000 *l.* to-morrow if he thought fit?—No.

996. It is a mere question of so proportioning his expenditure to his income as to obtain that result?—Yes.

997. Mr. *Seely.*] Is there anything to prevent him from having a smaller surplus?—No; subject to the control of public opinion.

998. *Chairman.*] There is no Act of Parliament whatever regulating the surplus?—No.

999. Lord *Frederick Cavendish.*] Is this the first payment of that nature which has been made to the Reserve Fund?—No; a payment has been made every year since 1865.

1000. What is now the total amount of the Reserve Fund?—It is not kept as a separate account; it all goes to increase the capital.

1001. Mr. *Seely.*] Then there is no obligation to put aside a certain sum every year, in order to recoup you for the exhaustion of the mines?—No.

1002. Mr. *Ayrton.*] Perhaps your account will show the appropriation of the surplus for the year, so that the whole thing shall be shown to the Committee in the account you are going to prepare, which will contain, firstly, the whole of your receipts; secondly, the charge connected with the receipts of the income; thirdly, the payments to the Admiralty to reimburse them the charges on account of Greenwich Hospital; fourthly, the surplus that will remain; and fifthly, the mode in which that surplus has been appropriated for the year?—Yes.

THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
7 *July* 1869.

303. *Under* 4 *oz.*

SUPPLEMENTARY APPENDIX

TO THE

THIRD REPORT

OF THE

COMMITTEE OF PUBLIC ACCOUNTS.

GREENWICH HOSPITAL.

RECEIPT and EXPENDITURE on account of the INCOME of GREENWICH HOSPITAL in the Year 1867-68.

(Referred to in Paragraph 10 of the Third Report.)

HEADS OF RECEIPT.	Cash. £. s. d.	HEADS OF EXPENDITURE.	£. s. d.	Cash. £. s. d.
To Dividends on Funded Property	84,527 1 11	By Payments on account of Property in Greenwich and Isle of Dogs	- - -	1,049 - 4
„ Interest on Loans	4,022 3 9	„ Ditto - Northern Estates of Greenwich Hospital	- - -	9,427 14 4
„ Transfers from Consolidated Fund, in lieu of Merchant Seamen's Sixpences (Act 4 & 5 Will. 4, c. 34)	20,000 - -	„ Miscellaneous Charges	- - -	193 10 -
„ Rents of Property in Greenwich and Isle of Dogs	4,280 13 2	Amount repaid to the Consolidated Fund, certified by the Exchequer and Audit Department to have been expended in 1866-67 out of the Money provided by Parliament on account of Greenwich Hospital	115,445 8 7	
„ Proportion of Freightage on Treasure conveyed in Her Majesty's Ships	1,104 6 -	Amount transferred to the Consolidated Fund for the Year ended 31st March 1867, being a Sum equal to 15 *l.* per Head on the Number of Men by which the Average Number of the Inmates of Greenwich Hospital during that Year fell short of 1,400	15,480 - -	
„ Proceeds of the Sale of Old and Unserviceable Stores	721 9 1			
„ Per-Centage on Hospital Furniture, for its Use	79 12 6			
„ Miscellaneous Receipts	313 17 10	TOTAL Amount Paid to Consolidated Fund	- - -	130,925 8 7
„ Rents, &c. of Northern Estates of Greenwich Hospital	48,958 7 4	Amount transferred to Capital Account for Investment in Consols, being the Amount of Surplus Income directed by the Lords Commissioners of the Admiralty to be annually invested	- - -	10,000 - -
		* Surplus	- - -	12,411 18 4
£.	164,007 11 7	£.		164,007 11 7

* RECEIPTS eliminated from the Account for 1867-68, as Presented to Parliament, as not appertaining to the Income for the Year.

	£. s. d.
Balances in the hands of Her Majesty's Paymaster General and Sub-Accountants on 1 April 1867	13,965 4 4
Repayment from Capital	14,586 1 -
Property and Income Tax	52 15 9
£.	28,604 1 1

PAYMENTS eliminated from the Account for 1867-68, as Presented to Parliament, as not appertaining to the Expenditure of the Income for the Year.

	£. s. d.
Provisional Investment	25,000 - -
Payment on account of Capital	6,155 8 5
Property and Income Tax	44 14 3
	31,200 2 8
	28,604 1 1
Difference, representing Provisional Expenditure of Income in aid of Capital	2,596 1 7
Balance in hand on 31 March 1868	9,815 16 9
Surplus £.	12,411 18 4

Admiralty,
9 July 1869.

(signed) *J. Beeby*,
Accountant General of the Navy.

SUPPLEMENTARY APPENDIX

TO THE

THIRD REPORT

OF THE

COMMITTEE OF PUBLIC ACCOUNTS.

RECEIPTS and EXPENDITURE on account of the INCOME of GREENWICH HOSPITAL in the Year 1867-68.

Ordered, by The House of Commons, *to be Printed,*
7 *July* 1869.

303—I.

FOURTH

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
27 *July* 1869.

Monday, 1*st March* 1869.

Ordered, THAT the Committee of Public Accounts do consist of the following Members:—

Mr. Ayrton.
Mr. Algernon Egerton.
Mr. Pollard-Urquhart.
Mr. Graves.
Mr. Seely.
Mr. Liddell.
Mr. William Fowler.
Lord Frederick Cavendish.
Mr. Sclater-Booth.

Wednesday, 17*th March* 1869.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Thursday, 18*th March* 1869.

Ordered, THAT the Committee have power to report their Opinion and Observations, from time to time, to The House.

Friday, 25*th June* 1869.

Ordered, THAT the Committee have power to Report the Minutes of Evidence taken before them, from time to time, to The House.

Monday, 19*th July* 1869.

Ordered, THAT the Standing Order, "That Five be the quorum of the Committee," be suspended.—That Three be the quorum.

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PROCEEDINGS OF THE COMMITTEE - - - - - - p. v
MINUTES OF EVIDENCE - - - - - - - - p. 1
APPENDIX - - - - - - - - - - - - p. 11

FOURTH REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the matter to them referred, and have agreed to the following FOURTH REPORT:—

YOUR COMMITTEE have, in conformity with a recent Resolution of the House of Commons, proceeded to examine the Home Accounts of the Government of India.

They observe that the first of these accounts, relating to the receipts and disbursements of the Home Treasury of the Government of India, appears in the form of a summary of a cash account for the year. It has appended to it the certificate of the Auditor of the Indian Office, that no sums of money arising out of the revenues of India have been appropriated to any other purposes than those of the Government of India, to which they are declared by the Act of 21 & 22 of Victoria, cap. 106, to be applicable, and that they have been expended under the proper authority of the Secretary of State for India in Council, and that the vouchers, documents, and receipts relating thereto are complete and satisfactory. But as the sums entered under the head of receipts comprise incomings arising from sources of various natures, some of which appear to your Committee to have been applicable only to specific purposes, and the sums brought to charge comprise disbursements for equally miscellaneous objects, your Committee are of opinion that they do not afford to the public sufficient facility of forming a judgment upon the administration of the finances of India by the Government at Home.

The accounts show that the balance at the beginning of the year, amounting to 4,098,779 *l.*, was greater than that of 2,833,009 *l.* remaining at the end of the year by the sum of 1,265,770 *l.*; and that the sums received from what may be called the capital account by the Indian Government, amount to 1,224,406 *l.*, while that brought to charge as spent on capital account was only 500 *l.* Thus, if the capital account had been kept distinct from the revenue account, there would have been a further diminution of the balance equivalent to 1,223,906 *l.*, making its total reduction 2,489,676 *l.*

Your Committee further observe that 1,000,000 *l.*, granted by Her Majesty's Treasury for the Abyssinian Expedition, has been entered among the receipts, while the disbursements for the said Expedition brought to charge amount to 965,446 *l.* The instalments of capital received from Indian railway and other guaranteed companies are 9,085,467 *l.*, while the sum spent on stores and establishment charges is 4,225,044 *l.*, being 4,860,423 *l.* less than that received on account of capital. It is true that an additional sum of 3,494,316 *l.*, paid for guaranteed interest of railway and other companies, has been brought to charge in the disbursements, but money paid for this purpose is not intended to be set against instalments on account of capital received from the same companies. If the accounts relating to the Abyssinian Expedition and railways had been kept separate from the other accounts, the balances in the latter would have shown a still further diminution of 1,400,661 *l.*, amounting to 3,899,337 *l.* in all.

Your Committee observe that by these operations the amount of bills which had been estimated to be drawn on India was diminished by 3,062,705 *l.*, and the Government of India was thereby left in funds for the construction of bar-

racks and other purposes, so as to render it unnecessary to raise a considerable sum by means of a loan in India. Your Committee have been furnished with a summary of the receipts and payments of the Government on account of the capital funds of the Railway Companies both in England and in India, and of their revenues and guaranteed interest, which is appended to this Report; but the India Office has been unable to furnish your Committee with a similar account of the operations of the Indian Government respecting its telegraphs, in consequence of the unsatisfactory condition of the accounts of that service; and for the same reason your Committee were unable to obtain a statement of accounts of the steam transport service between England and India, *viâ* Egypt. Your Committee recommend that in future years separate accounts of the receipts and disbursements for these several services be appended to the general account laid before the House; and that in such accounts the items in respect of them appearing in the general account of the receipts and disbursements of the Home Government of India should be capable of identification.

Your Committee also concur in the opinion expressed by the Auditor of the India Office, that the accounts relating to such extraordinary occurrences as the Abyssinian Expedition be kept separate from that of the ordinary receipts and disbursements.

For explanations on some of the minor details of these accounts, your Committee refer to the answers of the witnesses who were examined before them.

Your Committee are glad to find that the Auditor of the India Office has been altogether relieved of the duties formerly imposed upon him of departmental Examiner of Accounts, and that he is now enabled to carry out an entirely independent audit. It appears, however, that some of the accounts kept in the India Office are not in such a state as to admit of their being submitted to him for audit; but as arrangements appear to be in progress to effect this desirable object, your Committee have not thought it necessary to make any specific recommendation on the subject in this Report.

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PROCEEDINGS OF THE COMMITTEE.

Wednesday, 14*th July* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART, in the Chair.

Lord F. Cavendish.	Mr. Liddell,
Mr. Egerton.	Mr. Fowler.
Mr. Ayrton.	

The Committee deliberated upon the East India (Home) Accounts.

[Adjourned till Monday, July 19th, at half-past Two o'clock.

Monday, 19*th July* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART, in the Chair.

Mr. Ayrton.	Mr. Liddell.
Lord F. Cavendish.	

A Quorum not being present, the Committee adjourned till Wednesday, at Two o'clock.

Wednesday, 21*st July* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART, in the Chair.

Mr. Liddell.	Mr. Ayrton.
Mr. Fowler.	Lord F. Cavendish.

The Committee examined General *Jameson* and Mr. *W. Goodliffe*, as to the East India Accounts.

[Adjourned till Monday next, at half-past Three o'clock.

Monday, 26*th July* 1869.

MEMBERS PRESENT:

Mr. POLLARD-URQUHART, in the Chair.

Mr. Ayrton.	Mr. Liddell.

Report proposed by the Chairman, read a first and second time, and *agreed to*.

Ordered to Report, together with Minutes of Evidence and Appendix.

MINUTES OF EVIDENCE.

Wednesday, 21*st July* 1869.

MEMBERS PRESENT:

Mr. Ayrton.
Lord Frederick Cavendish.
Mr. William Fowler.
Mr. Liddell.
Mr. Pollard-Urquhart.

WILLIAM POLLARD-URQUHART, Esq., in the Chair.

Major General G. I. Jameson and Mr. William G. Goodliffe, called in; and Examined.

1003. *Chairman* (to General *Jameson*).] You are Auditor, I believe, of the Home Accounts of the Secretary of State for India?—I am.

1004. (To Mr. *Goodliffe.*) Will you state what office you hold?—I am Accountant General in the India Office.

1005. (To General *Jameson.*) Has your attention been turned to the Account of Receipts and Disbursements of the Home Treasury of the Government of India from the 1st of April 1867 to the 31st of March 1868; it has been audited by you, but have you looked at it lately?—Yes.

1006. Do you observe at the beginning of it that there is a very large sum for capital sold out, amounting to 1,164,406 *l.*?—Yes, that sum represents the proceeds of the sale of India Four per Cent. Stock.

1007. And also 60,000 *l.* for a loan to the Indian Branch Railway Company repaid?—Yes.

1008. On the other hand, there is only a sum of 500 *l.* of India Four per Cent. debentures paid off that can fairly be considered as an investment of capital?—You will find from the India Accounts for the former year that there was a deficit, and this Four per Cent. Stock was issued under the borrowing powers granted by Act of Parliament to the Secretary of State for India to make up for that deficit; page 8 of the Finance and Revenue Accounts of the Government of India for 1867–68. I am bound to see that those borrowing powers are not exceeded.

1009. But this account opens with a large balance instead of there being a deficit?—Yes; but you will find that the balance is reduced by the end of the year.

1010. I see that is very considerably reduced?—The balance of cash in the Treasury varied; the stock was issued at different periods during the year as required.

1011. In spite of the stock sold out and the loan repaid, I see that the balance at the beginning of the year considerably exceeds the balance at the end of the year?—Yes; the balance was reduced to about 3,000,000 *l.*

1012. Mr. *Fowler.*] £. 2,833,009 5*s.* 6*d*?—Yes.

1013. *Chairman.*] Was there any very extraordinary cause of expense in that year, or any other reason that would justify your selling so much stock?—The items on both sides of the account shows the balance; I can merely refer to those items. The items of receipts from the railways are more than were expected, and the items of payments are more. The whole are clearly detailed upon the account, showing the cause of the reduction of the balance, and the consequent creation of that stock.

1014. Mr. *Ayrton.*] If you will kindly look at page 26 of the Account you hold in your hand, you will see, with regard to the first item there, that there is an official explanation of this source of income, which was not anticipated at the time the Estimate was made; it is under the heading of "Explanations of Increase or Decrease"?—Yes. The explanation is, that this sale of stock "includes 1,000,000 *l.* raised on account of the construction of barracks in India," that is now charged to the current account. It is only reproductive works that are excluded from the expenditure for the year. The item for military barracks is put as an ordinary charge for the year, so the deficit, of course, was occasioned by the building of barracks to a certain extent.

1015. Then are we to understand that the 1,000,000 *l.* that was raised in England was used as a substitute for a loan that would otherwise have had to be raised in India for the purpose of constructing barracks?—Precisely so. If that loan had not been raised, the Secretary of State would have had to draw on India for a corresponding amount to meet the charges at home.

1016. By saying the drawing in this country,

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do we understand that they were enabled in India to dispense with raising a loan there?—Yes, exactly; the money must have been raised in India or in England.

1017. Then the real source of the large increase of expenditure, and the large sale of stock, was the large amount which had to be spent in the construction of new barracks?—Yes, I would say generally the deficit on the Indian Budget for the year; that would be a more correct way of stating it.

1018. *Chairman.*] Is that a very satisfactory state of things, not only that the balance at the beginning of the year is greater than that at the end of the year, but also that there has been a large amount of capital sold out in addition, for the purpose of raising money for the construction of barracks?—It does not follow that that is an unsatisfactory state of things, for if the items be traced throughout, you will find that there are many over which you cannot always have a control in this country.

1019. Mr. *Liddell.*] I presume it is a circumstance favourable to the Indian Exchequer, to raise a loan in this country in preference to raising it in India?—It is certainly more favourable as regards cheapness; but it is a question upon which perhaps I may not be required to give an opinion, whether it is not politic to raise loans in India, so as to make the natives of India interested in our Government.

1020. *Chairman.*] That is a political matter, which we ought hardly to go into?—It is a political matter, certainly. No doubt, on the score of expense, it is cheaper to raise the money in this country than in India.

1021. Mr. *Ayrton.*] Perhaps you might also have something to say upon the expediency of having an annual drain of money out of India to pay the interest of these loans, instead of having the money paid in India to people there?—I have always been favourable to raising loans in India where it is possible to do so. At the time the first loan was raised, which was at the time of the Indian Mutiny, it was impossible to raise it in India, and therefore it had to be raised in this country; there never was any loan before that.

1022. *Chairman.*] I see it is stated, at page 26, that it was anticipated that the bills of exchange on India would have realised 7,200,000 *l.*, whereas they only realised 4,137,285 *l.*; and it is said that that was in consequence of a loan raised for barracks and the disbursements in India on account of the expedition to Abyssinia, and the larger deposits by the railway companies?—Yes.

1023. Was a large part of that excess caused in consequence of the disbursements on account of the Abyssinian Expedition?—Yes; it was, in fact, a change in the mode of remittance, because we should otherwise have had to draw bills for whatever money we required to receive from India; and as the Treasury would repay the Abyssinian advances, it came to much the same thing as drawing fortnightly bills; if we received it in one way, we did not require it in the other.

1024. Mr. *Ayrton.*] The British Treasury paid to your Treasury a sum equivalent to that which the Indian Government spent in respect of the Abyssinian Expedition?—Yes; they paid sums from time to time. According to this account it was not a very large payment in that year; the Treasury at that time had not authority to pay the whole amount.

1025. *Chairman.*] I see the receipts do include 1,000,000 *l.* on account of the Abyssinian Expedition, but there is only 965,448 *l.* paid on account of the Abyssinian Expedition; I suppose we are not to conclude that the 965,448 *l.* included all that was spent in India on account of the Abyssinian Expedition?—No, certainly not; the accounts for the Abyssinian Expedition did not arrive here until February 1868.

1026. Mr. *Ayrton.*] It was all that was brought to charge in England at that time; not all that had actually been spent in India?—Exactly; not any that was spent in India.

1027. *Chairman.*] We are to conclude that part of the deficit (if I may so call it) on this account arises in consequence of sums which have been spent in India on account of the Abyssinian Expedition; by the "deficit," I mean the difference between the balance in your hands at the beginning of the year, and the balance in your hands at the end of the year, and also some part of the stock sold out?—Yes; the balance will always fluctuate according to the sums paid and received; it is estimated generally at the beginning of the year, but there are many disturbing causes, of which the Abyssinian War was one. From time to time the Accountant General estimates the money required, and it is provided in the best manner possible; in that case it was either received or to be received from the Treasury, or this loan was issued or bills were drawn upon India, according to circumstances.

1028. Are you able to state to what extent the expenditure on account of Abyssinia was a disturbing cause?—I have an account of it; I have not got the dates of the whole of the payments here, but perhaps the Accountant General can give them. (Mr. *Goodliffe.*) As I take it, the extent of the disturbance of the Indian finances by the Abyssinian Expedition was the amount that was expended in India and in England together; the sum that was paid in India in 1867-68 was upwards of 800,000 *l.*, and we had ourselves at home disbursed over 900,000 *l.*

1029. (To General *Jameson.*) The sums spent in England, if this is calculated rightly, amount to 1,447,000 *l.*; but besides that there was a considerable sum, I suppose, spent in India?—The sum spent in England was 965,448 *l.* up to 31st March 1868; the Indian Government had to keep a large sum in hand to meet the current Abyssinian expenses at that time going on; the sum paid in India to the above date is shown in the Indian accounts.

1030. Do you not think you would be able to exhibit a far more satisfactory form of account, if the sums spent on account of an extraordinary service like the Abyssinian Expedition were kept separate from ordinary expenses?—(Mr. *Goodliffe.*) In point of fact, the expenditure on account of Abyssinia does not come into the accounts of India as regards the revenue and expenditure; it is treated as a cash transaction.

1031. Mr. *Ayrton.*] Does it appear in the Treasury balance?—It appears in the copy of the Indian Accounts, at page 60, where the whole of their public monies are accounted for.

1032. In the Treasury balances?—No; at pages 60 and 61, the abstracts of the whole of their cash operations for the year. There is an entry there, "Advances for Abyssinian Expedition, 809,854 *l.*"

1033. Mr. *Liddell* (to General *Jameson*).] When the respective Treasuries of India or England,

land, as the case may be, undertake payments one on account of the other, do they debit the other Treasury, as the case may be, with interest until the sum is repaid?—No; it is generally considered as a bill of exchange; there is a rate of interest settled between the Imperial Government and the Indian Government once a year, and all transactions are adjusted at that rate. Sometimes when supplies are made to Her Majesty's ships they are repaid by bills of exchange.

1034. Then the difference would be in the rate of exchange as between the two countries?—Quite so; it is settled every year.

1035. Mr. *Ayrton.*] You will observe that in this account there are numerous items entered in connection with the several railway companies which the Government guarantees?—Yes.

1036. The first entry relating to them appears on page 4?—Yes.

1037. At the same time the Committee cannot find out in these accounts, either the English or Indian, any complete statement of the transactions of the Government in connection with the railways, where those relating to capital are separated from those relating to revenue and interest?—The whole of that adjustment is made in India in communication with the Railway Board at home, of which Mr. Juland Danvers is a member; and as far as the Home Accounts go, by a minute of the Secretary of State in Council we receive whatever capital is paid in, and that bears interest from the date of payment; we make the payments for stores and for establishments to the railway companies here. Beyond that there is no control in the India Office, beyond that of the Director of the Railways and the Indian Government.

1038. With regard to revenue, what are the operations of the Secretary of State for India's Treasury?—The revenue is entirely received in India.

1039. The revenue is of course actually earned and received in India?—Yes.

1040. But by the arrangements with the companies it is to be credited to them as cash in England, is it not?—Yes; we never see anything in connection with revenue, or with the other payments in England, except the authority to pay and receive. The whole of the adjustment of the railway affairs is arranged in the Railway Department by Mr. Danvers.

1041. When you say, "We never see it," you mean that you, as auditor, do not see it?—I do not see it.

1042. If you are the auditor of the accounts of the Home Treasury, how can these large operations of the Home Treasury, being the receipt and payment of money, go on without being submitted to your audit?—There is an audit in India for the railways specially. The control is vested here in a Government Department, a railway committee under the Secretary of State, and nothing has ever been submitted to audit.

1043. If these operations pass through the Home Treasury, and the monies are received and paid by the Home Treasury, how comes it that they are not audited by you?—They are certainly audited as to every payment, and as to every receipt that it is duly sanctioned, but beyond that there is no audit. Once a month we receive a statement of the amount of capital advanced, and the balance due, from the Accountant General.

1044. Would there be any difficulty in making out, as an appendix to the Home Accounts of the Government of India, a clear statement of the operations connected with capital and the operations connected with revenue in relation to the railway companies?—Certainly, I have no means of doing it.

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1045. (To Mr. *Goodliffe.*) I mean, would there be any difficulty in having such an account made out in England?—My opinion is, that it is a matter of account current between England and India; the sums that we receive on this side are set against expenditure in India, and the two sides of the account should be brought together.

1046. But we cannot find in these Accounts that there is any compendious statement of the whole of the transactions between the Home Government and the railway companies?—No, these are the accounts of the year in each case; the Home Accounts exhibit the receipts and payments on account of the railway companies within the year, and the Indian Accounts, I presume, in the same way must exhibit their transactions.

1047. If the Home Government has entered into contracts with these railway companies to receive and appropriate their income and to pay them interest, under certain circumstances, ought not there to be in connection with the Home Accounts a compendious statement showing the whole of the operations of the Home Government under those contracts, separating capital from revenue?—Yes, I think so.

1048. And showing the balance due from the Home Government in respect of capital in hand and the loss or profit, or whatever it may be, in respect of the revenue transactions of the railways, to be brought to account at the end of each year?—The books kept at home undoubtedly show the total amount of capital received and withdrawn on account of each railway, and the balance upon that account is written off to the remittance account.

1049. They also show, do they not, the amount spent in India, and debited against the railway companies at a fixed charge in English currency?—So far as my books go, they show nothing of the kind; I do not bring the transactions in India into them at all.

1050. Is there not an engagement on the part of the Home Government which very much affects their liabilities connected with the expenditure in India and the mode in which it is to be brought to the debit of the railway companies in this country, which renders it necessary that you should have an account of the Indian expenditure for the year?—My functions are limited, as I say, entirely to receiving sums from the various railway companies, and issuing sums that they require, under the sanction of the Secretary of State in Council.

1051. Mr. *Fowler.*] Supposing we were to ask you for an exact statement of the total sums received since the railway guarantees commenced, and the total sums paid out both here and in India, you could not give it?—I could not give it from my books; I do, in point of fact, compile statements for the use of the Railway Department of the aggregate amount of capital paid in by each railway company, and of the sums drawn out, but I do not take them from my books.

1052. Mr. *Ayrton.*] Could not you show an exact statement of the capital due to each railway company, say at the close of each financial year; I do not mean immediately on the close, but after you have had the Indian accounts verified and

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sent home?—I think such an account should be kept, and it may be kept for all I know, but it is not kept in the books under my charge.

1053. Does not a complete audit of the Home Accounts render it necessary that such an account should be submitted to the auditor as an expenditure account?—It is a question whether the remittance account should be dealt with by the auditor as a current account; at present the transactions affecting the remittance account which take place at home are treated as final payments by the auditor, and being ascertained by him to have been made under proper authorities he dismisses them from all further attention.

1054. Do you think it would be possible for the future to have a compendious statement of the operations relating to capital and revenue in connection with the railway companies, showing the balances due to them, or from them, on capital account, and the monies received on their account by earnings, the monies paid to them for interest, and the profit or loss, if any, upon all these operations for revenue?—I think if such an account were prepared by the Accountant General, it should be an account prepared from his books; but his books do not admit of such an account at present, because we do not bring the transactions in India upon the Home books.

1055. Surely, if the Home Government has entered into an engagement to be fulfilled in England, all the transactions relating to that engagement ought to be brought upon the books of the Accountant General of the Home Treasury?—I think they ought.

1056. Mr. *Fowler*.] The whole of the capital is raised here, is it not?—The principal part of it is; there may be some small amount subscribed in India.

1057. Mr. *Ayrton*.] But even that is accounted for here?—No, that is not accounted for here at all.

1058. Mr. *Liddell*.] Is it not part of the contract with the great railway companies in India, that when their traffic receipts exceed the guaranteed interest, such surplus shall be divided into two parts, and that one moiety of such surplus shall go in repayment of the interest heretofore paid for them?—Yes; it is so provided in the contract.

1059. How can your department check those payments, or have any cognisance that those payments have been regularly and properly made, unless a full statement of the receipts of these lines of railway is before you?—The department has no cognisance whatever of it; it is done in India. (General *Jameson*.) It appears to have been hitherto entirely trusted to the Indian Government. The receipts, the exchanges, and the whole railway transactions are adjusted by the Government of India.

1060. I presume they are responsible to the Secretary of State for the punctual payment and strict examination of the accounts, in order to check those receipts and payments?—Yes, they are controlled by the Railway Department in the India Office, and Mr. Danvers.

1061. I believe Mr. Juland Danvers is a director of all the Indian railway companies?—Yes.

1062. He acts on behalf of the Government?—Yes.

1063. *Chairman* (to Mr. *Goodliffe*).] Turning to page 4 of the Home Accounts of the Government of India, you will see several items which are called "Instalments of Capital" of the various railway companies, amounting to 9,085,467 *l.* 13 *s.* 9*d.*; as I understand it, these items include nothing but sums paid up on calls and shares?—Those are the payments by the companies on account of capital, either in the form of shares or debentures.

1064. Sums paid up on calls and shares?—Yes; or in respect of loans on debentures.

1065. On the other side of the account I see "guaranteed interest" amounting to 3,494,316 *l.* 11 *s.* 5 *d.*; does that include the total sum paid for interest, or only the sum by which what is paid exceeds what is recevied?—That is the sum paid in this country for interest.

1066. The total sum?—The total sum in this country.

1067. Not merely the excess above what was received?—No; each railway company furnishes half yearly a statement to the India Office of the sum that they will require in order to pay their shareholders the guaranteed interest; such statement is checked by the payments that have been made into the Treasury of the Secretary of State, and the amount is issued to the several companies; the aggregate is the amount stated in the Home Accounts.

1068. You have no mention here of any sum received on account of interest from the revenue of the railways?—Those receipts do not come into the Home Accounts.

1069. Mr. *Ayrton*.] The contract with the company, however, is that those receipts shall be remitted to England at a certain rate of exchange to replace the interest paid in England to the companies?—That is not the course followed.

1070. (To General *Jameson*.) But is not that the contract?—They are charged at the proper rate of exchange, that is to say, at the rate of exchange that was agreed on in the contracts, and it is a mere matter of adjustment in one country or the other; I quite feel that there would be an advantage in having a complete examination of the accounts here; but it is presumed that the machinery now in operation is sufficient for that purpose; Mr. Juland Danvers acts as an ex officio director of the railway companies to protect the interests of the Government, and there is a railway committee also.

1071. Mr. Danvers is an executive officer?—He is a member of the Board appointed by the Government.

1072. Still he is an executive officer, he is not an officer of account?—No; he is the Government director of the railways; and, besides, there are the directors of each railway here, acting on their own behalf of course, but the Government are mainly protected in India.

1073. *Chairman* (to Mr. *Goodliffe*).] I observe then that the total sum you have received as capital on account of the railways is upwards of 9,000,000 *l.*, whereas the total sum spent on what may fairly be called investment on account of railways, is nearly 4,000,000 *l.*, so that you have received 5,000,000 *l.* more than you have spent?—The Home Accounts exhibit the transactions of the Home Treasury in relation to each of the railway companies, but the Finance and Revenue Accounts of the Government of India bring to account as a charge upon the revenue of the year the net payments in respect of guaranteed interest after taking off the traffic earnings.

1074. In short, I am to understand that in these

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Home Accounts of the Government of India, you do not pretend to draw any line between capital and revenue?—Exactly; it is a cash account only. (General *Jameson.*) I would call it a remittance account, nothing more.

1075. Mr. *Fowler* (to Mr. *Goodliffe*).] Where is that statement with reference to the charge going to revenue to be found?—In the Indian Accounts, at page 9.

1076. The amount of guaranteed interest is only 1,540,435 *l.* after deducting the net traffic receipts?—Yes, that is the net amount.

1077. Mr. *Ayrton.*] We ought to have for this year a compendious account of the transactions of the railway companies?—I have made a statement of the transactions of the railway companies for the year, which I will hand in; but I may remark that that is compiled from statements received from India, it is not taken from the books under my care. (*The same was handed in,* vide *Appendix.*)

1078. Mr. *Liddell* (to General *Jameson*).] I rightly understand that the rate of exchange at which these payments to and from the different railway companies are made, was fixed absolutely at the time the contracts were entered into?—Absolutely.

1079. It is not of course liable to any fluctuation?—No, it is not liable to any alteration.

1080. Mr. *Fowler.*] We ought to have a complete capital and revenue account of all the railways every year?—Yes; at present the account we have handed in, is all the account we can give of those transactions.

1081. Mr. *Ayrton* (to Mr. *Goodliffe*).] There would be no difficulty in keeping and furnishing annually such an account as this, and in its being an audited account, if necessary, would there?—If the transactions in India were treated as matters of account current between England and India, and if the operations affecting the account current were dealt with upon the Home books of the Accountant General, the result would appear upon those books as stated in the account I have handed in.

1082. (To General *Jameson.*) You will observe on the balance-sheet, at page 2, that there is this entry: "Indo-European Telegraph.—Amount received from the Ottoman Government in adjustment of accounts with that Government for telegraphic messages, 26,916 *l.* 1 *s.* 4 *d.*," and on the opposite side of the account we find several charges, amounting to 118,284 *l.* 9 *s.*; can you give the Committee any other view of the operations of the Government in relation to telegraphs, because the Committee cannot find in either the Indian or the Home Accounts any clear statement of the receipt and expenditure of the Government in connection with the telegraphs, separating capital from revenue; do you think that such accounts could be presented as an appendix to this account?—Certainly; at present they are very deficient in information. The India Office have been in communication with Colonel Goldsmid, the Director of the Telegraphs, with the view of having proper accounts audited here, and submitted in connection with the Home Accounts of India. Great progress has already been made in the matter. Colonel Goldsmid has just arrived in England, and Mr. Kelwer, who has been much occupied in adjusting accounts in India, has also come home overland in connection with the same subject.

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Colonel Goldsmid, I understand, is now framing a detail of all the accounts from the commencement of the Indo-European Telegraph, showing clearly the whole receipts and payments and the expenses of construction. I believe I may state that such a system will be adopted as will afford to your honourable Committee a full detailed and satisfactory account of the matter. At present it is confessedly deficient; and my attention has been drawn to it. Mr. Goodliffe will be able to say what he has done in the matter; certainly no time has been lost; we commenced from the first, and it is now, I hope, progressing to a favourable conclusion.

1083. Do the Government in the administration of submarine telegraphs and others charge themselves with their own messages, or do they merely leave their own messages uncharged so as to form no item in the account?—I do not know how they do it in India, but we pay for the messages here.

1084. The full cost?—Yes. (Mr. *Goodliffe.*) As far as this country is concerned, we have only the Indo-European Telegraph to deal with. In India they have all the telegraph lines. The Home Accounts can only exhibit the transactions of the Home Treasury; they show the sums we have received and which are expressed to be the receipts of the Indo-European Telegraph, but in the Indian Finance and Revenue Accounts they have stated the earnings of their telegraphs generally; they do not appear to keep any distinct account as between the Indo-European Telegraph and the telegraphs in India; that is to say, they do not make any distinction between the Persian Gulf Telegraph and the telegraphs in India.

1085. (To General *Jameson.*) The sum that we find in the Accounts, namely, 87,111 *l.* 14 *s.* 1 *d.* for stores, is for the stores purchased for all the telegraph operations in India, submarine as well as land, I presume?—The Home Accounts show a distinction between the two. At page 3, you will see that the stores we have purchased for the telegraphs in India and sent out amount to 87,111 *l.* 14 *s.* 1 *d.*, while the item of 12,829 *l.* includes stores for the Indo-European Telegraph in addition to proper establishment payments.

1086. But the amount you put down to the Red Sea and India Telegraph is merely the amount you pay on account of the guarantee?—Yes, that is a lapsed telegraph.

1087. *Chairman.*] Does that apply to all the three telegraphs, the Malta and Alexandria, the Red Sea, and the Indo-European Telegraph; are these sums all paid to them on account of guarantees?—No; the Red Sea and India Telegraph is a guaranteed account; that having lapsed the shareholders have a guarantee which is paid between the Imperial and the Indian Governments.

1088. Mr. *Ayrton.*] It is now a mere cash transaction?—Yes.

1089. *Chairman.*] Were these sums paid to the other two telegraph lines, the Malta and Alexandria, and the Indo-European, paid for the working and construction only, or do they also include the cost of messages?—The amount paid on the Malta and Alexandria Telegraph is a payment to the Treasury for an adjustment of accounts under an arrangement with the Treasury, under which certain portions of expenditure are borne by the Indian, and certain by the English, Treasury.

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1090. Mr. *Ayrton.*] For keeping the telegraph in proper order?—Yes.

1091. None of these items are payments for the use of the telegraphs?—Not at all.

1092. You pay in England a sum for your messages which would include the use of the whole of the line to India, including that which belongs to the Government itself?—If the Government have occasion to send a message, they pay the telegraph company by whom they send the message.

1093. Do they get a rebate of the sum that would cover the charge for using the Persian Gulf line?—It becomes a matter of account; each company has to account for every message sent over the Persian Gulf line.

1094. If the Government sends a message, does it pay the full rate, or the full rate minus its own charge for the Persian Gulf line?—It pays the whole.

1095. And gets part back in respect of the Persian Gulf line?—Yes, certainly, it gets that back in account at Constantinople.

1096. When messages are sent from India, do the Indian Government in like manner debit themselves with the whole charge for the message?—I do not know how that is.

1097. In point of fact, you have not arrived at any system of telegraph accounting yet?—No. (Mr. *Goodliffe.*) As regards the Indo-European Telegraph, that is a special case. (General *Jameson.*) Yes, that is one of the points on which we are now engaged in preparing an account that will be satisfactory.

1098. Do you think that we may expect that we shall next year have a complete statement, separating the operations of capital and revenue, in connection with telegraphy?—I think so, certainly. (Mr. *Goodliffe.*) I do not think the accounts provide for the exhibition of any such account at all.

1099. At present?—I mean at present.

1100. Do you think we may expect one by this time next year?—Not with the present form of accounts.

1101. Unless we order it?—Yes; the Home Accounts will only exhibit the sums received and paid on account of the telegraphs.

1102. You being merely the agency for the Indian Government?—Our accounts merely exhibiting the amount of cash transactions which have taken place, as they affect the Home Treasury.

1103. But there would be no difficulty in making a combined account, showing the operations of capital and revenue for each year, as an Appendix to the Home Accounts, would there?—If the telegraph earnings are treated as part of the income of India, the accounts of the telegraphs should be exhibited in the Finance and Revenue Accounts of the Government of India.

1104. Though you may do that for the purposes of revenue, is it not desirable, in order to show the mode in which the telegraphy of the Government is carried on, that there should be an Appendix exhibiting the operations of capital and revenue, otherwise they would both be mixed up into one?—You will see what the principle of making up the account at present is, if you turn to page 8 in the Finance and Revenue Accounts of the Government of India. The payments on account of the telegraphs, which I apprehend to be the whole of the telegraphs of India, including the Indo-European telegraphs, so far as they may be made, on that side, are treated as payments in realisation of revenue.

1105. There are payments on account of both capital and revenue on the one side, and receipts on account of both capital and revenue on the other?—Yes.

1106. (To General *Jameson.*) But is it not desirable, in order to exhibit the operations of the Government in a transaction like this, that there should also be a separate account of that particular department of telegraphy, in the form of a balance-sheet showing what is the expenditure for capital, and what is the expenditure and income for revenue?—Yes; I think such an account as that would be proper.

1107. Would there be any difficulty in bringing forward a combined account showing the operations of both Treasuries bearing upon that same result?—It would be necessary to put the transactions of both together.

1108. Mr. *Fowler.*] Just as in the case of the railways?—It is just what I have been desiring to see done; I think it is desirable and right to do it. I understand from Colonel Goldsmid that he is working for that object. I complained that the accounts were not susceptible of audit and control here. I have suggested the necessity of getting exactly such an account as you have indicated, and I think that it is possible and right that it should be furnished. Colonel Goldsmid is in London, and perhaps he would be a good Witness to call before the Committee. (Mr. *Goodliffe*). I apprehend that General Jameson is speaking entirely with reference to the Indo-European Telegraph. (General *Jameson.*) Entirely. (Mr. *Goodliffe.*) He would be satisfied if all the sums received on account of that telegraph were brought to account. (General *Jameson.*) The general system of telegraphy in India we cannot control here; that must be done in India, but the accounts of the Indo-European Telegraph, I think, should show the capital, the revenue, the cost of construction, and everything most fully to Parliament; there should be an appendix attached to the account showing that those items were audited and examined, and that the account was susceptible of control in this country, which at present it is not. I understood from Colonel Goldsmid and Mr. Goodliffe that they were working for that object; that it was to be capable of being controlled here.

1109. Mr. *Ayrton.*] We are speaking now generally with reference to the accounts of the telegraphs. If the accounts of the telegraphs managed in India could not be exhibited by you, because you do not keep them, there would be no difficulty in their being exhibited by the Government of India, and sent home together with their Finance and Revenue Accounts, would there?—No.

1110. In point of fact the operation is quite new of making a combined account; this is only the second year in which their Indian Accounts have shown the whole operations?—Yes.

1111. I mean generally with reference to the accounts; this is only the second year in which the combined accounts have been sent home, is it not?—It has always been the practice to add the Home expenditure to that in India, but an important change has been made with respect to stores purchased in this country for India. The change made is to bring the payments in England

land for stores to account in the year to which they relate by adding them to the Indian Accounts, instead of treating them as a part of the remittance account, and leaving them to be brought to charge as the stores were used.

1112. Mr. *Fowler* (to General *Jameson*).] I understood you to say that the accounts were unsatisfactory; do you mean to say that the 87,111 *l.* 14 *s.* 1 *d.* for stores has not been audited in the regular way?—No, that is for telegraph posts and wires, and other stores sent to India.

1113. That you have audited?—Certainly.

1114. Mr. *Ayrton.*] We shall not be able to present to the House this year an account with reference to the telegraphs similar to that which you have been able to give us with reference to the railways?—I think not.

1115. *Chairman* (to Mr *Goodliffe*).] If I understood your last answer rightly, no part of the cost of telegraphic messages was included in the last item but one on page 3, "Postage of Despatches to and from India"?—No; that is a payment to the Post Office for postage only. The sum paid for telegraphic messages is included under the head of "Office Contingencies." The amount so paid is not specially shown; at the bottom of page 3 there is an item for office contingencies and the cost of telegraphic messages, which is not considerable, is included in that.

1116. Mr. *Fowler.*] You do not put the word "messages" in that list of contingencies?—No.

1117. *Chairman* (to General *Jameson*).] Turning to page 2, the last item at the bottom of the page is "Bills of Exchange on India;" has the Secretary of State for India authority to draw, or authorise the drawing, of bills of exchange on India, according to his own discretion?—It is an arrangement made with the Governor General of India in Council with reference to the amount of money that will be required in this country; they say how much they are able to afford, and the bills are drawn every fortnight at the Bank of England. The Government at Home and the Government of India arrange that they are to draw so many bills once a fortnight, or as the case may be, whatever money is required. The bills are put up to sale at the Bank of England; tenders are invited; they are sold at the best exchange procurable. I think I explained last year to the Committee on Public Accounts that the Financial Secretary and the President of the Finance Committee go to the Bank of England, and that the tenders are opened in their presence, and that of the Governor and the Deputy Governor of the Bank of England; and the highest tenders, that is to say, the best for India, are accepted.

1118. Mr. *Ayrton.*] Can you explain generally to the Committee what is the nature of the expenditure, of which a summary is given at page 5 in the item of "Passage and outfit of the Commander in Chief at Madras, chaplains, professors, schoolmasters, civil engineers, &c., 14,452 *l.* 11 *s.* 6 *d.*"?—I have got the particulars here (*producing a Paper*).

1119. Will you hand them in?—I will. (*The same were handed in*, vide *Appendix.*)

1120. There is also a large sum for the "Expenses on account of officers requiring scientific knowledge;" can you inform the Committee what that expenditure is?—This will show it (*producing a Paper*).

1121. Will you hand that in?—I will. (*The same was handed in*, vide *Appendix.*)

1122. You will see at page 9, that there is an item "Lord Clive's Fund Pensions, 141,742 *l.*," and then follows the item "Lord Clive's Fund, payments to the representatives of Lord Clive, 23,079 *l.*;" without going into the history of Lord Clive's Fund, I believe we may state generally that it is a donation of Lord Clive, the income of which was directed by him to be applied to pensions towards the widows and children of poor officers?—Yes; and although the Lord Chancellor has ordered the return of the capital, the pensions are continued by the Government of India just as if they had the capital in their possession.

1123. Was there a condition in that grant that it was to continue as long as the East India Company continued?—As long as the East India Company had an army. As soon as they had no army the Earl of Powis and the Baroness Windsor, the executors of Lord Clive's estate, commenced an action against the Secretary of State, for the capital sum which had been invested by Lord Clive, claiming that as the East India Company had no longer an army, it should be paid to Lord Clive's representatives. This question went before the Court of Chancery, and the Lord Chancellor gave judgment that we were to take some of the pensions indiscriminately from the list of Lord Clive's pensioners to the amount of the interest of the sum that was originally invested; and that those pensions were to be considered at the moment to have a claim upon the funds. As those pensions lapsed we were to pay over the amount so lapsing to Lord Clive's representatives.

1124. There has been a decree that Lord Clive's heirs, or rather his representatives, are entitled to take back the capital of the donation?—Yes; the decree of the Lord Chancellor was to that effect.

1125. What is the amount of that capital so decreed to be given back?—It amounted to six lacs of rupees.

1126. £. 60,000?—Yes, 60,000 *l.*

1127. Subject to the claims of existing annuitants?—Yes; and although we were paying a very large sum, far above the amount of the interest, ten times that amount; still, the Lord Chancellor allowed merely a lien upon the capital to the amount of the number of pensioners whose pensions were equivalent to 8 per cent. upon the proper capital. The Court of Chancery employed an actuary to see how this sum was to be repaid, and the Secretary of State employed General Hannyngton as an actuary on his part to verify the calculations which had been made by the actuary of the Court of Chancery, and he reduced the claim, I think, 3,000 *l.* or 4,000 *l.*, at all events considerably, and the eventual agreement and judgment that was come to will be found in this paper (*producing a Paper*).

1128. Will you hand that in?—I will. (*The same was handed in*, vide Appendix.)

1129. Mr. *Liddell.*] Where is this large sum of money invested?—It was in the hands of the East India Company; it was entered in their books, and they were pledged to give a certain interest per annum in payment of these pensions.

1130. But it is invested in India, I presume?—There was no investment; it was a book debt payable by the East India Company of so much interest to be given to the pensioners every year.

1131. Mr. *Ayrton.*] The claims of Lord Clive's representatives in respect of the fund have now been

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been finally adjusted?—They are in course of liquidation; there is a certain sum paid every year.

1132. They have been finally adjusted, and will be paid in due course?—Yes.

1133. This is the first payment of 23,079 *l.* under that adjustment?—Yes.

1134. Will you be able to give some explanation of an item which appears in the accounts, namely, 2,931 *l.* for "payment to architect for designs for proposed new custom-house at Bombay;" are the Committee to understand from that that the Secretary of State here employed an architect to design a building to be built in Bombay, and that this is the payment to him?—The Bombay Government advertised for designs for a new custom-house, and the design of Mr. Brodrick was approved, but the custom-house was never built, and there was a minute by the Bombay Government to the following effect. Mr. Brodrick's designs were approved, but as it was subsequently determined not to erect a new building at present, that gentleman left it to the Bombay Government to determine what amount of remuneration he was entitled to for his designs and estimates, and they fixed 1½ per cent. on the amount of his lower estimate. That estimate was for 195,442 *l.*; the amount to be received, therefore, was 2,931 *l.*, which they requested the Secretary of State to pay Mr. Brodrick, stating that the necessary credit would be afforded to London for the payment.

1135. So that it really was an Indian payment?—It was entirely a transaction of the Bombay Government, and it was not paid without question. Of course it is entirely on the responsibility of the Governor in Council in Bombay; it is a remittance, in short.

1136. It is useless to inquire how it is that all the officers in the establishment in India cannot supply a design for so common a building as a custom-house between them?—This is my authority for passing the amount: the minute by the Bombay Government above quoted, admitted by the Secretary of State in Council.

1137. Will you turn to Account No. 6; can you give the Committee any explanation of the principle upon which those pensions are granted?—I have prepared a Paper showing the principle, which I will hand in. I thought it better than making a verbal statement. (*The same was handed in*, vide *Appendix.*)

1138. Turning to Account No. 8, you will observe, in the explanation of the increases, that there is an item of 253,722 *l.* for an increase of receipts on miscellaneous accounts, which is described as the "produce of China Navy and Emigration Bills not included in the Estimate;" you will find that at page 26; can you explain it further?—If you refer to page 2 of the Accounts of Receipts and Disbursements of the Home Treasury, you will find that accounted for under the head of "Receipts affecting the Remittance Account between England and India;" it was a receipt we could not foresee. The bills come home in large sums or small sums, as they are required by the squadron.

1139. They depend upon the movement of troops, in fact?—They depend in some measure upon the movement of ships and of troops. The first is, "In repayment of advances in India on account of emigration of coolies, 34,852 *l.*" The second is, "In repayment of expenses of Madras troops employed at Labuan, 11,186 *l.*" The third is, "In repayment of pensions paid in India to outpensioners of Chelsea Hospital, 11,735 *l.*" The fourth is, "In repayment of supplies to Her Majesty's ships on the East India Station (which vary very much), 76,197 *l.*" The fifth is, "In repayment of advances in India to officers in charge of Treasury chests in China, 119,750 *l.*"

1140. These relate to transactions in India and further east, of which you had no information until the accounts came home?—Yes; and we reclaim them from the Treasury.

1141. At page 28 you will observe that there is an item in the explanation of the excess of disbursements of 91,048 *l.*, for the transport of officers and troops under the new system of transport; will you explain that?—Yes; the sum of 68,000 *l.* in the first column was an estimate formed by the Military Department for the passage of officers and troops in excess of those which were to be conveyed by the new troop transport service, and in that year there were a greater number of officers going and coming than was anticipated, and the Indian troop transports at the beginning perhaps did not accommodate so many as was expected, so that the charge for passages round the Cape was much larger than the Military Department had estimated. They thought that the ordinary charge, which you will find is a very large one, for the conveyance of troops would be reduced so much, that 68,000 *l.* would be all that would be required for the Cape transports; instead of that, we find the Cape transports in that year were much larger than was expected.

1142. Was that owing to a greater movement of troops that year than was anticipated?—It was owing to a greater movement of men and officers than was anticipated, and the troop transport service was only just started, and you could not of course get so many packed in as you could when it was properly established. Even now it is not sufficient for all the troops that come home and go out.

1143. Have you kept in the India Office any account of the new transport system by the Red Sea, showing the whole of the charge for that new system?—I am just engaged in a very careful audit and analysis of the troop transport service. I have an officer at the Admiralty every day now, and we are going very minutely into the whole cost and charge, taking the whole thing together; and I hope by next year to present you with a satisfactory account.

1144. You will not be able to do so this year?—I only had the accounts furnished to me two months ago.

1145. *Chairman.*] Was any part of this increased charge for transport due to the Abyssinian Expedition?—No, none whatever.

1146. Mr. *Ayrton.*] Could the Government prepare in future years a complete statement of the expenses attending the transport system?—Most certainly; we have now the complete accounts which were furnished two months ago, and I am going on as fast as I can. Long before next year we shall be able to give you the fullest details of the charges upon every particular.

1147. Mr. *Liddell.*] Since we last had the pleasure of seeing you before us, has not a very great change been effected in your own position in

in the office?—Yes, a very satisfactory change indeed.

1148. Will you kindly describe to the Committee what the precise nature of that change is; the two offices of examiner of accounts and of auditor, have been separated I believe?—Last year I performed the duty of examining primarily all the War Office and Admiralty claims; they were sent to me previous to payment; instead of my being the post auditor, I examined them first on behalf of the Secretary of State for India, and then I passed them as the final auditor under the Act.

1149. But in one capacity you were as it were a subordinate to the Secretary of State?—Yes, and in the other I was acting under the Act of Parliament. I always objected from the very first to that double capacity; I thought it was not a satisfactory arrangement, because the auditor was not independent; though I cannot say that it ever interfered with the performance of my functions; the Secretaries of State were very ready to attend to any representations that were made.

1150. But under that peculiar tenure you would not feel yourself absolutely independent of the Secretary of State?—Certainly not; I received a salary under the Queen's Warrant, signed by the Chancellor of the Exchequer, of 300 *l.* a year, and from the Secretary of State for India in Council 700 *l.* a year, which could be withdrawn at his pleasure. The Committee of Public Accounts objected to this arrangement. They say, "Your Committee are not satisfied that at present any advantage would be gained by transferring to the Controller and Auditor General the business of auditing these accounts; but they are of opinion that the present arrangement is not free from objection, as it unites in one officer the duty of auditing the accounts of the Secretary of State (and if necessary of disallowing charges authorised by him) and the examination, on behalf of the Secretary of State, of accounts with, and claims upon, the principal departments of Government." In consequence of this the Secretary of State for India transferred the primary examination of the War Office and Admiralty Accounts to the Finance Department, and I am now final auditor of all the accounts of the Secretary of State, under a warrant of the Queen, and receive a salary of 1,000 *l.* a year.

1151. So that you are wholly untrammelled?—Yes, I do not form, in short, a part of the India Office at all.

1152. Lord *Frederick Cavendish.*] Is your salary paid out of the Indian revenues, or out of the Imperial revenue?—It is paid out of the Indian revenue according to the Act of Parliament. Her Majesty is empowered to appoint an auditor, and to authorise the payment of his salary out of the Indian revenues under the Act. I do not think that there was any practical difference in my position formerly, but it was not a satisfactory position.

1153. Mr. *Ayrton.*] The difficulty would have been this, that as an examiner you were bound to accept the Secretary of State's order, with reference to bringing any items to account?—Yes, but I might dispute that order in the second capacity, as indeed I did. I have made objections, which were attended to if they were reasonable.

1154. You could not make any further dispute than a mere representation to him; if he chose to order any items to be entered to a particular account you were bound to attend to his order?—I could, as final auditor, have reported to Parliament.

1155. That was the embarrassment; as auditor you are entitled, though the Secretary of State directs a payment to be made, if you think it is upon a wrong account, or without sufficient authority from Parliament, to report the fact to Parliament?—Yes, I am entitled to report it.

1156. It is your duty to report it?—Yes, it is my duty to report it.

1157. But you were liable formerly to removal by the Secretary of State?—No; he could take away a part of my salary, but I always had a warrant from the Queen, countersigned by the Chancellor of the Exchequer.

1158. In your capacity of auditor, you had?—Yes.

1159. In your capacity of primary examiner of the accounts, you had not?—The Secretary of State could have struck off that part of my salary.

1160. Now you do nothing but audit the accounts as a Parliamentary authority?—Quite so; I am separate from the India office.

1161. Does this system involve much duplication of examination of the accounts; going over the accounts twice, first by an examiner, and then by yourself?—No, not at all, it is done very satisfactorily now. After a claim on the War Office or the Admiralty is examined and passed and ordered to be paid, I get it as soon as it is passed. We examine forthwith, and therefore if there was any objection to it, we should be able within a week or two to point out that objection.

1162. What is the extent of your establishment to carry on your duties as auditor?—I have 10 clerks.

1163. How many clerks has the examiner under him?—The examination of War Office and Admiralty claims is now made by the Finance Department. The Accountant General has always had a considerable staff for the first examination of all payments made by him except the claims of Government Department; there has been an addition of two clerks made lately on account of that portion of the duty which has been assigned to the Finance Department, viz., the Admiralty and War Office claims; as regards the sums paid by the Accountant General, my audit has always been a "post audit."

1164. To what extent do you carry on your examination of the vouchers; do you go into the ultimate detail, or do you take the examiner's certificate of the details of the vouchers as sufficient?—I am obliged to go into very considerable detail; in some cases we can see at a glance that it is all right, but in many cases we have to examine very carefully.

1165. Supposing a bill came in as a voucher for money paid for goods supplied under a contract, for example, would you accept the examiner's certificate that the rate of charge was according to the contract, and that the goods had been delivered?—No, we should examine that very carefully. For instance, I would explain how a store transaction is carried through. The tenders are publicly advertised for; they are opened by the President of the Finance Committee; they are then sent to the storekeeper,

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who certifies the lowest tender. Then the tenders come down to me, and I examine every one of them. Sometimes we are able to point out mistakes, but very seldom indeed, and then after that we keep books, showing the delivery of the stores, the date of the delivery, and the date of their shipment, and we never release the storekeeper from the responsibility for the stores, till the receipt comes back from India saying that they have all been received ; then we have nothing more to say to it. The responsibility then devolves upon the Indian Government. We can trace all the stores from the time they were first ordered till the time they were disposed of.

1166. Then you do not take the examiner's certificate as good for anything ?—It is good for a great deal, it is a double check, but it is necessary to have a record because you might pass double charges of any kind. We find that that record is neither expensive nor laborious, and we constantly find it of advantage because things slip into two accounts.

1167. If a contract is made, is the original contract, or a copy of it, handed over to you that you may check the accounts by the original contract ?—Yes, as far as the Indian Store Department is concerned.

1168. Lord *Frederick Cavendish.*] Are all the accounts transferred to you for the purpose of audit ?—Yes, it is only in the next room. Mr. Goodliffe sends the accounts to me every month, and we generally keep the accounts up to within two months.

APPENDIX.

LIST.

Appendix, No. 1.

Paper handed in by Mr. Goodliffe, 21 July 1869: PAGE

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Appendix, No. 2.

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Appendix, No. 1.

PAPER handed in by Mr. *Goodliffe*, 21 July 1869.

STATEMENT of the Transactions on Account of CAPITAL, INTEREST, and REVENUE of the several GUARANTEED INDIAN RAILWAYS, for the Year ending 31st March 1868.

	CAPITAL.						REVENUE.				
	Amount Subscribed.			Amount Withdrawn.			Net Traffic Earnings received in India.	Excess of Working Charges over Earnings.	Paid on Account of Guaranteed Interest.		
	In England.	In India.	TOTAL.	In England.	In India.	TOTAL.			In England.	In India.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
East Indian, Main Line	2,010,714	13,913	2,024,627	1,161,698	725,434	1,887,132	1,055,932	- -	1,177,674	11,870	1,189,544
Ditto - Jubbulpore Line	3,990	- -	3,990	2,813	337,187	340,000	28,865	- -	157,475	674	158,149
Madras, South West Line	707,880	- -	707,880	392,770	18,400	580,357	223,425	- -	274,167	- -	274,167
Ditto, North West Line	481,535	- -	481,535		169,187		37,380	- -	149,817	- -	149,817
Great Indian Peninsula	2,065,166	5,656	2,070,822	1,454,227	785,971	2,240,198	404,865	- -	813,290	19,390	832,680
Sind	97,844	- -	97,844	49,635	49,756	99,391	33,391	- -	98,148	1,085	99,233
Indus Flotilla	- -	- -	- -	12,382	10,630	23,012		- -	16,570	- -	16,570
Punjab	1,140	10,918	12,058	454,464	77,893	532,357	30,907	- -	98,971	479	99,450
Delhi	1,506,583	4,358	1,510,941	22,792	667,957	690,749	- -	3,132	115,789	450	116,239
Bombay, Baroda, and Central India	952,135	- -	952,135	246,912	72,657	319,569	83,303	- -	336,763	1,083	337,846
Eastern Bengal	526,170	3,507	529,677	177,879	161,746	339,625	119,600	- -	106,685	609	107,294
Calcutta and South Eastern	- -	- -	- -	3,038	19,063	22,101	- -	3,584	21,500	567	22,067
Great Southern of India	322,200	- -	322,200	44,430	67,860	112,290	29,997	- -	53,878	- -	53,878
Oude and Rohilkund	409,219	4,036	413,255	70,930	26,126	97,056	3,592	- -	23,743	- -	23,743
£.	9,084,576	42,388	9,126,964	4,093,970	3,189,867	7,283,837	2,051,257	- -	3,444,470	36,207	3,480,677
Less, Excess of Working Charges							6,716	6,716			
Less, Surplus Net Traffic Earnings made over to East Indian Railway Company							2,044,541 55,429				
£.							1,989,112				

Appendix, No. 2.

PAPERS handed in by General *Jameson*, 21 July 1869. App. No. 2.

PAYMENTS made at the INDIA OFFICE during the Year ending 31st March 1868, on Account of PASSAGE and OUTFIT of the Commander in Chief at *Madras*, Chaplains, Professors, Schoolmasters, Civil Engineers, &c.

PARTICULARS OF PAYMENT.	AMOUNT. £. s. d.
APRIL 1867:	
Passage and outfit. Rev. B. T. Attay, Junior Chaplain, Bengal -	150 – –
Ditto - - Rev. B. M. Behr - ditto - - ditto -	150 – –
MAY 1867:	
Passage to Calcutta. T. Grant and family (civil master armourer) -	171 15 –
Ditto - - - C. Petrie and wife (head overseer of blacksmiths, Futtyghur) - - - - - -	114 10 –
JUNE 1867:	
Ditto - - - Mr. O. Edwards (superintending construction of steam floating fire engine) - - -	99 10 –
Passage and outfit. Rev. W. H. Tribe, Junior Chaplain, Bengal -	150 – –
Ditto - - J. Kibble, Educational Service, India - -	150 – –
JULY 1867:	
Passage and expenses of Mr. Barwell, Civil Engineer, from Madras, sent out with machinery - - - - - - - - - -	31 19 –
Passage and outfit. Rev. J. Roberts, Chaplain, Church of Scotland, Bengal - - - - - - - - -	150 – –
Ditto - - Rev. W. J. Ffennell, Junior Chaplain - ditto -	150 – –
Hotel expenses of R. Smillie, mechanic, Godavery Navigation Works	10 – –
AUGUST 1867:	
Passage of R. Smillie, mechanic, to Madras - - - - - -	55 5 –
Passage and outfit. Mr. W. H. Wright, Educational Service, North Western Provinces - - - - - -	150 –
Ditto - - Rev. W. West, Junior Chaplain, Bengal - -	150 – –
Ditto - - Major General W. A. M'Cleverty, Commander in Chief, Madras - - - - - - -	2,000 – –
SEPTEMBER 1867:	
Ditto - - Rev. G. B. Streeten, Junior Chaplain, Bombay	150 – –
Passage of 15 Civil Engineers to Calcutta and three to Madras - -	1,776 – –
Ditto 5 ditto - - to Bombay - - - - - - -	447 10 –
OCTOBER 1867:	
Ditto Mr. Ivens, Engineer, Public Works Department, Gibraltar to Calcutta - - - - - - - - - -	94 10 –
Passage and outfit. Rev. F. D. A. Willis, Junior Chaplain, Bengal -	150 – –
Ditto - - Rev. C. W. Burroughs - ditto - - Madras	150 – –

App. No. 2.

PAYMENTS made at the India Office during the Year ending 31st March 1868, &c.—*continued.*

PARTICULARS OF PAYMENT.	AMOUNT.
	£. s. d.
NOVEMBER 1867:	
Passage to Calcutta. T. Bolton, Assistant Mathematical Instrument Maker	57 5 –
Ditto - - J. Clifford (master worker), and D. Trebbitt (mill-man), and G. Batten (mill-man), Ishapore Gunpowder Works, 57 *l.* 5 *s.* each	171 15 –
Ditto - - C. Richards, Mrs. Richards (57 *l.* 5 *s.* each), and two children, 58 *l.* 5 *s.*, 2nd class, Public Works	172 15 –
DECEMBER 1867:	
Passage and outfit. Rev. F. C. Fagan, Junior Chaplain, Bengal	150 – –
Ditto - - W. M'Laren Smith, Bengal Educational Service	150 – –
Ditto - - Rev. F. Orton, Junior Chaplain, Bengal	150 – –
Ditto - - W. E. Ormsby, Head Master, Calicut School, Madras	150 – –
Ditto - - A. Ewbank, Bengal Educational Service	150 – –
Passage money. C. E. Pittman, Assistant, 4th Grade, Telegraph Department	100 – –
Ditto - - R. Boteler, Assistant, 4th Grade, Telegraph Department	100 – –
Ditto - - W. P. Johnston - ditto - - ditto	100 – –
Ditto - - W. Williams - - ditto - - ditto	100 – –
Ditto - - M. R. Trower - - ditto - - ditto	100 – –
Ditto - - W. E. Ayrton, Superintendent - - ditto	100 – –
Ditto - - H. W. A. Fanshawe, 4th Grade - ditto	100 – –
Ditto - - W. A. Bell - - ditto - - ditto	100 – –
Ditto - - J. W. W. Barclay - ditto - - ditto	100 – –
JANUARY 1868:	
Passage money. S. P. V. Luke, 4th Grade, Telegraph Department	100 – –
Ditto - - G. Parry - - ditto - - ditto	100 – –
Ditto - - Serjeant Renshaw, wife and child (saddle-tree maker)	143 12 6
Passage money to Calcutta. J. Fletcher (civil master armourer)	57 5 –
Ditto - - ditto - W. Jones, mechanical engineer, Roorkee workshops	57 5 –
Ditto - - to Bombay. A. P. Smith, Patent Concrete Stone Works	89 10 –
Ditto - - to Calcutta. S. Wood, manager, and J. Ackroyd, foreman for jute machinery in Alipore Gaol (57 *l.* 5 *s.* each)	114 10 –
Ditto - - ditto - H. Clifford, master worker	55 5 –
Ditto - - ditto - H. Dewey, wife and child, mill-man for gunpowder works, Madras	110 10 –
Passage and outfit. Rev. J. R. Ward, Junior Chaplain, Bengal	150 – –
Passage. Three men, Royal Engineers (15 *l.* each), Solar Eclipse Expedition	45 – –
Passage and outfit. M. Fryar, Mining Geologist in India	150 – –
FEBRUARY 1868:	
Passage of 9 Civil Engineers (Public Works Department) to Calcutta (99 *l.* 10 *s.* each)	895 10 –
Passage of 6 Civil Engineers (Public Works Department) to Madras (94 *l.* 10 *s.* each)	567 – –
Passage of 21 Civil Engineers (Public Works Department) to Calcutta	2,089 10 –
MARCH 1868:	
Passage of 2 Civil Engineers (Public Works Department) to Calcutta (99 *l.* 10 *s.* each)	199 – –
Passage and Outfit of Rev. W. R. Quinlan, Junior Chaplain, Bengal	150 – –
Passage of 9 Civil Engineers (Public Works Department) to Bombay	447 10 –
Passage to Calcutta, C. H. Reynolds, Assistant, 4th Grade, Telegraph Department	100 – –
Passage to Calcutta, G. Davidson and wife, and G. Hodgson and wife, mechanics, to take charge of machinery at Cossipore	229 – –
Passage to Calcutta, Mr. H. T. Humphreys, Public Works Department	99 10 –
£.	14,452 11 6

PAYMENTS made at the INDIA OFFICE during the Year ending 31st March 1868, on Account of EXPENSES incurred by OFFICERS acquiring SCIENTIFIC KNOWLEDGE. App. No. 2.

	£.	s.	d.
Surgeon Major G. F. Forbes, expenses incurred in a tour in the Cotton States of America	250	–	–
Sundry officers for house rent at Hythe whilst under instruction	119	8	–
Allowance as Commandant at Hythe, Major General C. C. Hay	75	–	–
Sundry officers, &c. whilst studying Forestry	300	9	8
To Her Majesty's Paymaster General, contribution from Revenues of India for the current year, towards expenses incurred on account of officers ordered to undergo instruction in School of Gunnery at Shoeburyness	1,360	12	6
Lieut. Colonel A. Frazer, expenses visiting Lighthouses, &c. on duty	96	5	11
Lieut. Colonel Hyde, expenses visiting Mints at Paris and Brussels	20	4	–
Sundry persons for expenses of instruction, &c. in Telegraphy	129	8	–
Captain Tulloch, travelling expenses, &c.; making himself acquainted with the systems of Drainage adopted in Europe (17th June to 30th September 1867)	42	11	1
Expenses in connection with the manufacture of Boxer Ammunition, being sums paid to various officers engaged in studying the same at Woolwich	540	15	3
	2	–	9
Expenses of sundry officers studying Photography	31	18	4
Sundry officers visiting engineering works in the United Kingdom and Abroad	144	10	10
£.	3,113	4	4

COPY of REPORT of FINANCE COMMITTEE.—Approved by Council 15th August 1867.

PURSUANT to the reference of the Secretary of State of the 18th April last, the Committee have from time to time instructed Mr. Lawford to communicate as to the final terms of arrangement of Lord Clive's Fund, with Mr. Paterson, Lord Powis's solicitor, and they now recommend that the terms defined in Mr. Lawford's letter of the 3rd instant be adopted by the Secretary of State in Council, viz.: a payment in the present month of August of 23,078 *l.*, and the future payment of the several sums specified in Table B. in the accompanying Report of Major General Hannyngton, commencing with the sum of 1,940 *l.* for the year ending August 1868, and concluding with the payment of 509 *l.* for the year ending August 1900, and 4,464 *l.* as a final payment on account of losses in subsequent years. The Committee further recommend that the payments be made accordingly, in equal moieties, to the Earl of Powis and the Baroness Windsor, their executors, administrators, and assigns, as they become due.

For the Year ending	£.
August 1868	1,940
,, 1869	1,892
,, 1870	1,844
,, 1871	1,796
,, 1872	1,747
,, 1873	1,695
,, 1874	1,643
,, 1875	1,589
,, 1876	1,536
,, 1877	1,484
,, 1878	1,432
,, 1879	1,381
,, 1880	1,331
,, 1881	1,279
,, 1882	1,232
,, 1883	1,184
,, 1884	1,140

For the Year ending	£.
August 1885	1,093
,, 1886	1,049
,, 1887	1,006
,, 1888	963
,, 1889	924
,, 1890	882
,, 1891	842
,, 1892	806
,, 1893	967
,, 1894	728
,, 1895	691
,, 1896	654
,, 1897	617
,, 1898	581
,, 1899	545
,, 1900	509

The Committee also recommend that Major General Hannyngton be presented with the sum of 200 *l.* for the Reports prepared by him in reference to this case.

(True copy.)

(signed) *Richard Dickenson.*

App. No. 2.

General Pensions (A.)

Compensation Pensions to Officers of the Home Service. (53rd Geo. 3, c. 155, s. 93.)

Scale of Retirement to which entitled under this Act.

If no longer qualified from age or infirmity :

For 10 years' service, one-third of salary, and allowed emoluments of office.

Above 10 years, and less than 20 years' service, one-half - - ditto.

„ 20 years' service - - - - two-thirds - ditto.

If over 60 years of age, without proof of infirmity of mind or body :

For 15 years and upwards, two-thirds of salary, and allowed emoluments of office.

If 65 years of age and upwards :

For 40 years and upwards - - - three-fourths ditto.

„ 50 „ „ - - - - whole - - - ditto.

Memo.—Under the above Act, the applicant for retirement need not have been in possession of his last appointment for any *special* period, to entitle him to its full advantages.

Acts 21 & 22 Vict. c. 106, s. 18, confirms the above Act and Scale of Retirement as respects those retained on the reconstruction of the service by Lord Stanley in 1858 ; but to those appointed "after the first formation of the service," Acts 4 & 5 Will. 4, c. 24, ss. 10 and 14 is to apply, as altered by the Preamble, to, and ss. 1 and 2 of 22 Vict. c. 26, 1859.

FOURTH

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
27 *July* 1869.

356.

Under 3 *oz.*

INDEX

TO THE

REPORTS

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS.

Ordered, by The House of Commons, *to be Printed,*
27 *July* 1869.

356—I.

I N D E X.

[*N.B.*—In this Index the Figures following the Names of the Witnesses refer to the Questions in the Evidence; those following *App.*, to the Pages in the Appendix; and the Numerals following *First Rep.*, &c., to the Pages in the Reports.]

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TO THE

REPORTS

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS.

Ordered, by The House of Commons, *to be Printed,*
27 *July* 1869.

356 —1.

Under 2 *oz.*

REPORT

FROM THE

SELECT COMMITTEE

ON THE

TELEGRAPH BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
22 *July* 1869.

Friday, 9th July 1869.

Resolution, THAT, in the case of the Telegraph Bill, the Standing Orders ought to be dispensed with; that the Bill be permitted to proceed on a clause being inserted securing to all existing Telegraph Companies, not having yet arranged with the Government, a right of arbitration (failing agreement) as to the value of their present rights and privileges.

Friday, 16th July 1869.

Telegraph Bill read a second time, and committed to a Select Committee.

Monday, 19th July 1869.

Ordered, THAT the Committee do consist of the Marquis of Hartington, Mr. Hunt, and Five Members to be nominated by the Committee of Selection.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Three be the Quorum of the Committee.

Ordered, THAT the Committee have leave to sit and proceed on Thursday.

Tuesday, 20th July 1869.

Ordered, THAT the Petitions presented to this House respecting the Telegraph Bill be referred to the Select Committee on the Bill; and that such Petitioners as shall have prayed to be heard by themselves, their Counsel, Agents, and Witnesses upon their Petitions, be so heard, if they think fit, and Counsel heard in favour of the Bill against such Petitions.

Committee of Selection.

The following Members are added to the Select Committee on Telegraph Bill:

Mr. Baines.	Mr. Laird (Birkenhead).
Sir Smith Child.	Mr. Weguelin.
Mr. E. T. Hamilton (Salisbury).	

Thursday, 22nd July 1869.

Ordered, THAT the Committee have power to Report the Minutes of Evidence taken before them to The House.

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REPORT.

THE SELECT COMMITTEE on the TELEGRAPH BILL have considered the said Bill, and taken Evidence thereon, which they have agreed to report to the House; and have examined the allegations of the Bill, and found the same to be true, and have amended the Bill in accordance with the Order of the House of the 9th instant, and have gone through the Bill, and made Amendments thereunto.

22 *July* 1869.

PROCEEDINGS OF THE COMMITTEE.

Thursday, 22*nd July* 1869.

MEMBERS PRESENT:

The Marquis of Hartington.	Mr. Laird.
Mr. Ward Hunt.	Mr. Weguelin.
Mr. Baines.	Sir Smith Child.

The Marquis of *Hartington* was called to the Chair.

Preamble read the 1st time.

Counsel:—Mr. *Denison*, Q.C., and Mr. *Simpson*.

Agents:—Messrs. *Wyatt & Co.*

The following Petitions were read:

1. Henry Wilde.

Counsel:—Mr. *Webster*, Q.C.

Agents:—Messrs. *Sherwood & Co.*

2. Falmouth, Gibraltar, and Malta Telegraph Company, and British Indian Submarine Telegraph Companies (Limited).

No Counsel appeared in support of this Petition.

Agents:—Messrs. *Dyson & Co.*

3. Submarine Telegraph Company between Great Britain and the Continent, and the Submarine Telegraph Company between Great Britain and France.

No Counsel appeared in support of this Petition.

Agents:—Messrs. *Dorington & Co.*

4. H. H. Nicholls.

No person appeared in support thereof.

Mr. *Denison* was heard to open the case in support of the Preamble.

Mr. *Frank Ives Scudamore* examined.

On the question, "What chance has any private individual, if the Government are carrying private messages, of competing with them for private messages?" being put in cross-examination,—

Mr. *Denison* objected to the question being put.

Room cleared.—The Committee deliberated.

The Committee determined that this question might be put.

Mr. *Richard Spelman Culley* examined.

Mr. *Webster* was heard to address the Committee in support of the Petition of H. Wilde, and called—

Mr. *Henry Wilde*, examined.

Mr. *Frank Ives Scudamore* recalled, and examined by the Committee.

Preamble read a second time.—Amendment proposed in line 22, to leave out from the word "order" to the word "to," in line 23—(Mr. *Hunt*).—Question, That the words proposed to be left out stand part of the preamble—put, and *negatived*.—Another Amendment proposed, in line 26, after the word "should," to insert the words "within the limits

limits hereinafter named"—(Mr. *Hunt*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 4.	Noe, 1.
Mr. Hunt.	Mr. Weguelin.
Mr. Baines.	
Mr. Laird.	
Sir Smith Child.	

Question, That the Preamble, as amended, is proved—put, and *agreed to.*

The Committee went through the Bill, Clause by Clause, and made Amendments.

Several new Clauses added.

Schedule considered, and *agreed to.*

Ordered, To Report the Bill, as amended, together with the Minutes of Evidence, to the House.

LIST OF WITNESSES.

Thursday, 22*nd July* 1869.

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MINUTES OF EVIDENCE.

Thursday, 22nd July 1869.

MEMBERS PRESENT:

Mr. Baines.	Mr. Hunt.
Sir Smith Child.	Mr. Laird.
Marquis of Hartington.	Mr. Weguelin.

THE RIGHT HON. THE MARQUIS OF HARTINGTON, IN THE CHAIR.

Mr. FRANK IVES SCUDAMORE, Examined by Mr. *Denison*.

1. YOU are the representative of the Post Office in this matter?—Yes.

2. Last year when the Bill was before the Committee there was no intention of obtaining a monopoly of the telegraphs such as is now proposed?—No.

3. The question was not raised by any of the opponents?—The question was discussed in the Committee, but it was not raised by any of the petitions.

Chairman.] It was not raised by the opponents, because it was not proposed by the Bill to take the monopoly.

4–5. Mr. *Denison.*] Just so; it was discussed in the evidence; you, I remember, gave some evidence upon the subject, and stated that it was not proposed to take a monopoly?—I did.

6. This year, whether from a change of masters or something else, I do not know, it is proposed to take a monopoly?—Yes.

7. That being a public question, I do not know that I ought to ask you any questions about it; I ought to take that as part of the principle of the Bill which the House of Commons has affirmed, at any rate till we hear what Mr. Webster says about it; now, with regard to what Mr. Wilde's own claim, you have read his petition?—I have.

8. Does it appear to you that the introduction of the monopoly clause will affect Mr. Wilde's interests?—No.

9. Do you agree with the arguments I made use of just now upon that subject?—I do.

Mr. *Webster.*] That is hardly a proper question to put to a Witness.

10. Mr. *Denison.*] It is constantly done here; however, I will do it another way if you like; will the Post Office be as good a customer for Mr. Wilde as he could have had if this Bill were not passed?—Yes.

11. I must put these questions in the dark, because I do not know his arrangements, but we will assume that he has reserved something to himself after 1870; have you gone into the question as to subterranean telegraphs against aerial?—I have endeavoured to ascertain whether his patent could be used by us, and I have been informed it could not.

12. You have already made an arrangement with the three great companies?—Yes.

13. Therefore you had the advantage of such assistance as their engineers could give you?—Yes.

14. Have you consulted them upon the subject?—I have consulted the engineer of the Electric and International Telegraph Company.

15. Have you been advised by the engineer of the Electric and International Company that this question of subterranean telegraph against aerial telegraphs has occupied their attention for a long time?—I have.

16. What conclusion have you come to upon consulting with the Electric and International Telegraph Company's engineer?—I have come to the conclusion that there would be no practical advantage in the adoption of Mr. Wilde's system.

17. Do you believe that the reservation of Mr. Wilde's rights in the patent of December 1863 is of any practical value at all?—I do not.

18. Is it a thing which you conceive to be capable of being arbitrated on at all?—I do not see how the arbiters could attach any value to it.

19. Was I right in saying that the Post Office would object, in the public interest, strongly to have any recognition of, I will call it an imaginary right of that kind, inasmuch as it is only a right to a patent, which has been for six years unworked by anybody?—Yes, we should strongly object to that.

Mr. *F. I. Scudamore.*

22 July 1869.

20. It would bring upon you a great number of claims, which would expose you to great cost in trying them, and might possibly expose you to great cost in arbitration?—I can see no limit to the number of claims which would be brought upon us.

21. Every single patentee, whose patent was unexpired, might make a similar claim upon you?—Yes.

22. Some of Mr. Wilde's patents are worked by the Globe Company?—Yes.

23. The Globe Company have already made a claim upon you, under the Act of last year, to purchase their undertaking?—They have.

24. That arbitration will, in the common course of things, go on?—Yes.

25. Will the railway companies still remain in existence with the power of telegraphing under the Act of 1868?—By the Act of last Session a separate system is to be set apart for railway business which will be worked by the railways.

26. If it should turn out that Mr. Wilde's patent after 1870 is anything that he can legally part with, he will be able to make an arrangement with the railway companies for the use of it during the remaining seven years?—Yes.

27. When I say railways, I mean canals also?—Yes, and every individual who wishes to set up a private telegraph.

28. This Bill only prohibits the working of telegraphs for profit?—Yes, the transmission of public messages.

29. Mr. Wilde states in his own petition or in one of the letters, I think in both, that his system is to lease to persons and companies the power of telegraphing from public offices to other public offices; that would not be carried on for a profit by them, so that he would still be able to do that consistently with the passing of your Bill?—Yes.

30. So that if his system is worth anything, putting aside the subterranean one if the other is worth anything, he would have an ample number of persons to deal with besides the Post Office from 1870 to 1877?—Undoubtedly.

31. The three great companies have made no arrangements with him?—No.

32. From information you have had from them, they were not at all likely to make arrangements?—No.

33. Therefore he will still have the same parties to deal with; the railway companies and canal companies, and he will have you as a substitute for the Globe Company?—Yes.

Cross-examined by Mr. *Webster*.

34. Do you think Mr. Wilde or any single inventor would have much chance, after this monopoly Bill passed, of getting his invention introduced except through you?—If his instrument were of value, I think he would have a fair chance of getting it introduced.

35. You are probably aware of the enormous difficulties which every inventor has in getting an improvement introduced?—No doubt there are difficulties.

36. The difficulty of getting an invention introduced is the greater, the greater the improvement, frequently?—I am not prepared to admit that.

37. I presume a great improvement displaces a great amount of existing capital and machinery, or may do?—It may do; it does not always do that.

38. Has your attention been sufficiently directed to the subject of the difficulties that inventors have to deal with, to know that it very rarely happens that a useful invention can be introduced till nearly towards the end of the term of the patent?—That is not within my knowledge at all.

39. Do you mean to say that you know of no such cases?—I call to mind no such cases.

40. I think Sir Charles Wheatstone may be generally looked on as the father of the present system?

Mr. *Denison.*] That involves a very serious dispute.

41. Mr. *Webster.*] He had a good deal to do with it?—Undoubtedly.

42. Probably companies have been a good deal advised by him, or by those brought up in his school?—I cannot say whether they have or not.

43. He was called as witness, was he not, on the Bill last year?—Yes.

44. Did not he, on that occasion, express his opinion, at Question 1084, that he had not the least faith in telegraphy without wires and poles?—I do not recollect his saying so; you have the book before you.

45. *Q.* 1084. "You have no faith whatever in telegraphy without wires and poles? *A.* Not the least"?—Yes; did he not say that with reference to a proposition to transmit messages without any conducting medium whatever?

Mr. *Hunt.*] That is how it arose.

Mr. *Webster.*] It arose in Mr. Scudamore's evidence afterwards in that way.

Mr. *Hunt.*] There was a suggestion to carry on telegraphic communication by means of the earth without wires; I think it was on that part of the question.

Mr. *Webster.*] It does not appear to arise from that here; it arises afterwards in Mr. Scudamore's evidence, I know.

Chairman.] Does Mr. Wilde propose to telegraph without wires?

Mr. *Webster.*] No.

Chairman.] This refers to telegraphing without wires and poles.

46. Mr. *Webster.*] I believe the general system (of course there are exceptions) is wires on poles?—Yes.

47. That was the system first introduced, and that is the system which has been mainly adhered to?—I do not know whether it was the system first introduced. I know they tried subterranean communication at a very early date.

48–49. The subterranean communication which was tried consisted of wires insulated in gutta percha and asphalte, and things of that kind?—I cannot answer that question.

50. At all events, whatever was the system then tried, the system of wires on posts has been substantially adhered to?—Undoubtedly.

Mr. *Denison.*] A little higher up in that page you will find, as Mr. Hunt says, at Question 1075, "Did you hear that statement of his, in which he said that he had heard of some new invention which was to render, I think, wires unnecessary? *A.* Yes, I heard that."

51. Mr. *Webster.*] I think Mr. Wilde's system is placing wires, such as are now placed on posts, in

in a certain combination sustained on porphyry or earthenware sections of cylinders, as shown in that tube?—That Mr. Wilde has explained to me as his system.

52. In fact it is a system for transferring the wires now on posts on to proper insulators in tubes?—Yes.

Mr. *Webster.*] The wires are laid in a certain arrangement, placed in insulators of earthenware, or other insulators, and placed in a tube.

Mr. *Denison.*] Do you feel that you can try the merits of Mr. Wilde's invention?

Mr. *Webster.*] I do not ask the Committee to do that.

Mr. *Denison.*] If we are to go into these details, the Committee had better decide that question at once.

Mr. *Webster.*] I must make some observations in answer to those you have made.

Mr. *Denison.*] I have no objection to your making any observations in answer to mine; of course you think the invention a good one, and I think it a bad one; it has been before the public six years, and there does not seem to be the least chance of its being used; the Committee, I submit, will not go into an engineering investigation of the merits.

Mr. *Webster.*] If the invention is of no use, there will be nothing to pay for it.

Chairman.] It is hardly necessary for us to go into the merits of the invention itself, except as proved by its adoption by companies, or by the opinion of any well-known engineer.

Mr. *Webster.*] I should not have attempted to enter upon the discussion which my learned friend seems to have anticipated. You remember my learned friend proposed to call witnesses to speak to this very point.

Mr. *Denison.*] Only to verify what I stated.

52*. Mr. *Webster* (to the *Witness*).] I think, in the evidence of last year, you yourself were opposed to any legal monopoly——

Mr. *Denison.*] Mr. Scudamore did what his master told him last year.

Witness.] I gave certain reasons for thinking that we did not require a legal monopoly.

53. But you not only thought that you did not require a legal monopoly, but you thought that a legal monopoly was a bad thing; at Question 127?—Yes, I remember saying that I thought a legal monopoly might lead us into some difficulties.

54. You said this: "In fact, on the whole, I am inclined to think that a legal monopoly would be a disadvantage instead of an advantage to us. If we had it, inventors and patentees of improvements, or so-called improvements, in telegraphic instruments and apparatus, would have to look to us, and to us only, for the use of their inventions, and even if those inventions were worthless, they would be able to make a strong appeal to us to try them, because there would be nobody else who could try them; but, on the other hand, if we had not the legal monopoly, and we declined to try inventions of real merit, the inventors would have some chance of finding others to carry them out. *Q.* With regard to improvements, do you think that the Government would be less likely to take up any known and real improvements in telegraphic instruments than the companies would? *A.* On the whole, I think that the Government would be more likely to take up new improvements. In one respect we should be on nearly the same footing as the telegraphic companies have been with regard to improvements. When a telegraph company has had a large amount of capital locked up in any particular kind of instrument, it has naturally hesitated to employ another instrument, even although it might have great superiority over the existing one; and the Government, to a certain extent, would have the same disinclination, but the disinclination would not be quite so strong, because the companies have to find a dividend, and a good dividend, for their shareholders, whereas the Government need only make its system self-supporting. But there is another reason why I think that the Government would be more likely to take up new improvements, and that is, that no pressure whatever can be put upon a commercial company to adopt any particular instrument, however good it may be. They have always this answer: 'We do not want it, and we will not take it.' But any amount of pressure could be put upon the Post Office, through Parliament, to use a new instrument, if it is one of acknowledged merit." Probably you adhere to that opinion now?—Entirely, subject to a slight modification of my first answer; in my first answer I said, we should be the only people who could use these inventions. I ought to have remembered at that time that the railway companies would have the facilities which they now have.

Mr. *Denison.*] No; that was altered afterwards.

Witness.] However, I must make that alteration now.

55. Mr. *Webster.*] There is that alteration in the state of things that existed last year; railways are to work their own messages?—It was arranged last year that railways were to work their own messages, but as Mr. Denison says, not exactly at the time I gave that evidence.

56. Under the present system, you will have the railways working their own messages, and the Post Office working public messages?—Yes.

57. It was recommended last year that there should be a division between public messages and railway messages?—Yes; the railway messages are messages on the business of their trains; it is the railway signalling which it is necessary to carry on to secure the safety of the passengers who travel; but it is carried on in the same way as the public telegraphy.

58. I will call your attention to Question 1030, to Sir Charles Wheatstone, "Will you give us your opinion as to the desirability of the telegraphy for the railway and the telegraphy for the public being conducted upon the same wires, or upon different wires? *A.* My opinion is, that the railway system and the telegraphic system generally should never be mingled together It has been necessary, perhaps, in the present state of imperfect development of the telegraph, to do so now and then; but in my opinion, the telegraphic system will never be complete until there is a total separation between the two interests, and the only agreement which should hereafter exist between the Government and the railway companies should be for way-leaves for the right of placing

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placing wires upon their lines"?—Yes; that is the arrangement that has been carried out.

59. On this question of monopoly, you are asked this question (2470), "You thought that the public would have more confidence if it were not a monopoly? *A.* Yes; I think that the public would always be able to say to themselves, 'The Post Office has got no monopoly; but if it does not do its work well, it is in our power, at all events, to get up something.' And, again, if we had a legal monopoly, we should shut every door but one, that is, our own door, to all inventors; and every inventor then, even the gentleman who proposes to carry messages without any wires at all, would be perpetually coming to us, and saying, 'You must try our system, because you are the only people who can try it.' *Q.* On the other hand, the stimulus would be removed, to a certain extent, for entertaining discoveries, or, if you had no legal monopoly, you would have the answer ready for everybody, 'Go and try elsewhere'? *A.* You may be quite sure that we should always be ready to try any good invention, because we should always save money by doing it." Then question 2476. "So that you will have in this way the advantage of monopoly without its responsibility? *A.* We think that there would be another disadvantage in a legal monopoly; if we had it, and if anybody attempted to infringe it, we should be bound by law to prosecute, and I think that that is an extremely disagreeable duty to be imposed upon a public department, and one that I should be very sorry to have the responsibility of." Those were your reasons then; you probably adhere to those reasons now?—Yes, I do.

60. The present Bill, in fact, would give you that monopoly, which you thought last year you might do well without?—Yes.

61. You have purchased, I think, what was called Wheatstone's Company; the Universal Private Company; the A B C Company, as it was called?—Yes.

62. Are you aware that they have telegraphs at Manchester?—Yes.

63. And, I think, strictly private telegraphs; that company was introduced with the view to carry out the private system?—Yes; but they have a small public trade in the West Highlands.

64. But so far as Manchester was concerned, it was essentially a private company?—Essentially.

65. At question 1147, you are asked this: "The Universal Telegraph Company is a company formed for commercial purposes, and expecting dividends? *A.* Yes: the principal object is to furnish public offices and private establishments with private telegraphs." That, I think, was so?—Yes; the only public trade they had was in the West Highlands, in Cantyre.

66. At question 2529, you are asked, "Have you arranged with the Universal Private Telegraph? *A.* Yes. *Q.* Are you aware that they afford facilities to private individuals and manufacturers to have telegraphs? *A.* Yes; and we should do so as well. *Q.* There would be no diminution of those facilities? *A.* No. *Q.* So that any private individual along a line of railway would be able to obtain permission from you to connect a wire with his own manufactory or house? *A.* Undoubtedly; we should continue to carry on precisely the trade that they do. *Q.* You would be able to carry on the trade much cheaper than they do, having your wires everywhere, whilst they have not wires in every direction? *A.* Yes; and we should also be able to carry it on much cheaper, for this reason: they employ Professor Wheatstone's A B C instrument, and the price is rather high, because, of course, they only have a small number of them; but we know that, taking the instruments in the quantities in which we should want them, we should get them at a considerably lower rate. *Q.* You would still be able to make use of that instrument? *A.* Undoubtedly." Probably you adhere to that opinion now?—Yes.

67. This is the class of instruments (*pointing to an instrument*), the A B C instrument?—Yes.

68. You produce the magneto-electricity by the foot, and work these letters by it?—In Sir Charles Wheatstone's instrument it is not produced by the foot, but by the hand.

69. In Sir Charles Wheatstone's instrument you produce the magneto-electricity by turning with the hand, and work the keys with the fingers?—Yes.

70. In this instrument of Mr. Wilde's you produce the electricity by a treadle, and you have both the hands to work the instrument?—Yes; but you require both your hands; you do not in Wheatstone's.

71. In this you use one foot and two hands; whereas in Wheatstone's you use two hands?—You use one hand to turn the handle, and one to work the keys; but here you want two hands to work the keys, and the feet to turn the treadle.

72. So far as regards the A B C system, that meaning one which anybody could read, the two are in that respect the same?—Yes, as far as the indicators and the dials are concerned.

73. The title "A B C" was given to it as against the symbolical system, where you have symbols indicated by a number of vibrations, as described in the evidence of 1868?—Yes.

74. To go back to Manchester; are you aware that at Manchester the wires are carried over the houses, and that Sir Charles Wheatstone's system was introduced there by the renting of instruments?—Yes, renting the instruments, and, I presume, paying a rent for the wire also.

75. The basis of that operation was rental?—Yes.

76. Are you aware that the basis of the Globe Company's operations was not rental, but selling itself out and out?—I am not aware.

77. Generally, do you know that, that so far as there was a contest between the two systems commercially, the Universal Company's system was rental, and the Globe Company's system was sale out and out?—I know that the Universal Telegraph Company's system was rental; I do not know what the Globe Company's system was.

78. You do not know that the general system of the Globe Company was sale out and out?—No I do not.

79. Are you aware that there was a great deal of competition in Manchester between those companies?—I cannot say really.

80. Do you know to what extent the instruments were sold and adopted in Manchester and the neighbourhood of Manchester?—I know the Universal Private Company has a considerable business in Manchester; I do not know what business the Globe Company does.

81. Do you concur in the opinion expressed by Sir Charles Wheatstone that it would be almost hopeless for any company to work against the

the Government?—It would depend entirely on the nature of the tools the company worked with. If they were superior to those of the Government, I think they would beat the Government.

82. Looking at the difficulty there always is in introducing new inventions, do you really seriously think that there would be any chance for a company to get on, or for a private individual to live against the Government starting *de novo* now?—In the case of instruments adapted for such a trade as the Globe Company were carrying on, I think a company might compete against the Government if it had superior instruments.

83. Mr. *Denison.*] You mean for private purposes?—Yes.

84. Mr. *Webster.*] You think that could be done under what we call the monopoly system, which you are introducing by this Bill?—Yes, because we do not ask for a monopoly of private telegraphs.

85. But you are going to carry private messages?—Undoubtedly.

86. Therefore, the Government would be doing exactly what was done by the Universal Private Telegraph Company as regards private messages.

Mr. *Denison* observed that this Bill was only complained of as a monopoly Bill, and submitted that the question of competition having been settled last year, Mr. Webster could not re-open that question.

87. Mr. *Webster.*] Under the Act of last year, in point of law, there might have been competition for public messages?—Yes, for public messages.

88. And private messages also?—Yes; and there may be competition for private messages still.

89. But not for public messages?—No.

90. What chance has any private individual, if the Government are going to carry private messages, of competing with them for private messages?

Mr. *Denison* objected to the question.

Mr. *Webster* was heard in support of his right to put the question.

Mr. *Denison* was heard in reply.

The committee-room was cleared.

After some time the counsel and parties were again called in.

The *Chairman* stated that the Committee had no objection to Mr. Webster putting the question which had been objected to, but they hoped he would confine his cross-examination as much as possible to the Monopoly Clause, as affecting the interests of his client, and avoid the question of competition resulting from the Act of last year.

Mr. *Webster.*] My question was pointed to that entirely.

Mr. *Hunt.*] You mean, I apprehend, this; what chance would a company have of competing for private messages if they could not also create an undertaking for the transmission of public messages?

Mr. *Webster.*] I meant both, in fact.

Mr. *Hunt.*] Perhaps you will put your question in a different shape.

91–2. Mr. *Webster.*] Yes, I will. (To the *Witness*). The Wheatstone Company at Manchester, for instance, carried both public and private messages?—Not at Manchester; their only public trade was in the West Highlands.

93. Do you think, supposing this Bill should pass, a company would have a trade which would compete successfully with the Government for private messages, unless they could also have private messages?—Yes; I do not think the possession of the public trade gives the Government any additional facilities for crrrying on the private trade.

94. What right would an individual have for the carrying of private messages to attach his instrument to the Government wires?—None whatever, unless the Government gave him permission.

95. A person, who was sending private messages in competition with the Government to the same place, must make his own terms with the Post Office for attaching his instruments to their wires?—He need not use our wires; in fact, it is extremely improbable that he would; for private business of this sort the wires must be distinct; there must be distinct wires between each man's house and his office; the instrument connected with that can work no other wire; he would have just the same facilities after the Government had commenced private business as he had before.

96. The Post Office would have distinct wires for the private business, distinct from the public business?—Necessarily they must have it so.

97. In that respect, the two systems would be identical?—Yes.

98. Have you experienced increasing difficulty in getting wires over towns?—I have never begun the work yet; what my difficulties may be I have yet to learn.

99. Do you happen to know what is the state of things in the suburban districts, as regards getting wires across in the air?—I believe there is very little difficulty indeed.

100. Private gentlemen do not object?—I believe not.

101. You do not know the state of things in Manchester, for instance?—I know that the way-leaves paid by the Universal Private Company are extremely small, therefore I apprehend the difficulty is very little.

102. By way-leaves, you mean air-leaves, or leaves for going over the tops of houses?—Yes, over the house tops: house-leaves.

103. Last year you expressed this opinion: at Question 2461, you were asked whether there were any other companies to come against you, and you said there was one called the Globe, but you thought their powers had expired?—I was under that impression at the time.

104. At that time you knew of no other but the Globe, and you thought that their powers had expired?—I knew of two others, but I thought they were all dead.

105. Have any others turned up since?—Yes, two others, with which we are in communication.

106. Which are those?—Bonelli's, and the Economical.

107. Those are the only three, so far as you know, before you?—The only companies incorporated by special Act.

108. Did you understand that the Globe Company had only power to send private messages and not public?—That was my impression.

109. That

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109. That is not the fact, is it; under the Act of Parliament they have general powers, have not they?—I was under the impression that they were incorporated for private business only.

110. The Articles of Association might have limited them to private business?—They got the Act of 1863 incorporated with their Act; I suppose that opens to them public business.

111. Having the Act of 1863 incorporated with their special Act gave them powers for public messages?—Yes.

Mr. *Coates.*] May I say a word?

Mr. *Denison.*] For whom?

Mr. *Coates.*] For the Falmouth, Gibraltar, and Malta Company. I represent three companies who are concerned in the transmission of foreign messages and those alone.

Mr. *Denison.*] What are those; I have only the Falmouth, Gibraltar, and Malta.

Mr. *Coates.*] The Falmouth, Gibraltar, and Malta; the British Indian Submarine, and the Anglo-Mediterranean.

Mr. *Denison.*] Have they petitioned? Where are their petitions? I have a joint petition of the Falmouth and Gibraltar, and the British Indian Submarine.

Mr. *Coates.*] The other will be presented this evening.

Mr. *Denison.*] It is not presented.

Mr. *Coates.*] It is not presented. If the promoters think fit to embarrass one in a public Bill, so as to prevent our appearing upon a petition which we may present this evening, be it so, we will get our remedy elsewhere.

Mr. *Denison.*] Will you give me the Order of Reference to this Committee?

Mr. *Coates.*] These public Bills are printed only a few days before they are referred to the Committee, and the constant habit is for parties to be heard upon petitions whenever they are presented, there being no Standing Order limiting the time for presenting petitions. My clients in this case presented a petition through their solicitor yesterday. There will be a more formal petition presented this evening for the three companies, and likewise a petition will be presented this evening of the Concessionaires for the North German Telegraph Company.

Mr. *Denison.*] And, I dare say, half-a-dozen more.

Mr. *Coates.*] At all events the two I have are sufficient for my purpose.

Mr. *Denison.*] Then I understand you waive talking about the others, because I have the Order of Reference to this Committee, which is quite as good as Standing Orders. If you tell me you waive talking about the other I have no more to say.

Mr. *Coates.*] By way of illustration I may allude to it.

Mr. *Denison.*] I would rather you would not.

Mr. *Coates.*] Then I will not allude to it.

Chairman.] For whom are you proposing to cross-examine now?

Mr. *Coates.*] The Falmouth, Gibraltar, and Malta, and the British Indian. This evening will be presented a petition for the Anglo-Mediterranean, which I will not allude to even.

Cross-examined by Mr. *Coates.*

112. I believe we are nearly agreed, and, certainly, I am not going to weary the Committee needlessly, but this Bill gives you the monopoly of transmitting messages within the United Kingdom, does it not?—Yes, it gives us the monopoly of messages transmitted from one place in the United Kingdom to another place in the United Kingdom.

113. I wish it were so, but it is not so; if you intend that, I daresay you will amend your Bill to that extent; are you prepared to make any provision for this case. A foreign telegraph company, for instance my clients, lay their cable to the shores of Great Britain; the monopoly will prevent them from transmitting those messages within the United Kingdom; are you prepared to make such arrangements on the part of the Post Office as would enable those messages to be transmitted?—I think the Postmaster General would be bound to make arrangements for the collection and transmission to the starting point of any such cable, of any messages which the public may desire to send over his wires to that cable.

114. Mr. *Hunt.*] What you want is this: that when your messages arrive on the shores of the United Kingdom, they shall be punctually transmitted?—

Mr. *Coates.*] Just so.

Witness.] That is fully intended.

114*. Mr. *Coates.*] Without favour or affection?—Certainly without favour or affection. We shall throw upon the public the favouror affection. They must say by which route, if there are alternative routes, they wish their messages to go.

115. I mean that the terms which the Post Office will make with the foreign companies shall, in like circumstances, be the same?—Certainly.

116. Mr. *Denison* (to Mr. *Coates*).] That will suit you, will it not?—(Mr. *Coates.*) Yes.

Mr. *Denison.*] Then I will not re-examine on that.

Re-examined by Mr. *Denison.*

117. My learned friend, Mr. Webster, began about Professor Wheatstone advising most of the companies. The Globe Company have not been advised by Professor Wheatstone?—No.

118. They have been rather his antagonists?—Yes.

119. And you, having bought up Wheatstone's Company, the Universal Private Company, you have now a demand to buy up the Globe Company, which demand you are acceding to?—Yes.

120. Does not that seem to solve the question as between the Globe Company and Wheatstone's Company?—I think it does.

121. I will not read the questions referred to in the evidence of last year, but have you altered your opinion upon any of those points. For instance, there was Question 128, which my learned friend read to you. Perhaps without quite seeing where he was going, you said the Government would be more likely to take up any improvements than the existing companies; you probably still think so?—My opinion is stronger now than it was then. I think the public would compel us to do so.

122. One

122. One word more about the Globe. I do not know what the Act of Parliament authorises them to do, but, in point of fact, are they doing any public telegraphy?—None.

123. There is no mistake about that?—No.

124. They are, in point of fact, a private telegraph company?—Yes.

125. And as such they would be arbitrated upon with reference to what they are doing, and have been doing; that is so, is it not?—Yes, that is so.

126. Under the Act of last year private people, the Globe Company, or Mr. Wilde, would have had no more and no less power to connect with your wires than they have at present?—Not in the least.

127. As to giving licenses, the power and motive, and interest, would be just the same under the Act of last year as under the Act of this year, as regards private messages?—Undoubtedly.

128. Sir *Smith Child.*] Have you seen the claim which the Globe Company have made?—I have.

129. I presume that includes the value of all their property, and their prospective privileges?—It does.

130. Have they not practically a monopoly of Mr. Wilde's patent?—They have a monopoly of it till the year 1870, and then they have a right to acquire a further monopoly for seven years, upon arbitration terms.

131. Then up to the end of 1870, they have the exclusive right to claim the use of Mr. Wilde's patent for the remainder of his patent?—Yes.

132. They have a right of refusal, in fact?—Yes.

133. Mr. *Hunt.*] Under the Act of last year, you will step into the shoes of that company, as far as regards Mr. Wilde's patent?—Yes; when we buy their rights, we shall buy such privileges as they have from Mr. Wilde.

134. Sir *Smith Child.*] That being so, has Mr. Wilde the right to sell that which the Globe Company have the refusal of now?—I do not think Mr. Wilde has anything to sell.

135. Mr. *Webster* (through the *Committee*).] Do you understand that the company have the option of doing that; or do you know whether Mr. Wilde's agreement would compel them to buy it?—

Mr. *Denison.*] You can throw light upon that by giving us the agreement.

136. Sir *Smith Child.*] I asked whether the Globe Company had not the actual refusal, and whether they could not claim up to the end of 1870 the right to buy the remainder of Mr. Wilde's patent?—I believe that is so.

137. If so, that will give them the exclusive right to that which Mr. Wilde had got to dispose of?—Yes.

138. *Chairman.*] What is the petition from the Submarine Telegraph Company.

Mr. *Denison*] That is settled.

Chairman.] Have we done with the petitions now?

Mr. *Denison.*] I do not know of any other; Mr. Coates is satisfied with what we say we will do. I will call one more witness.

Mr. *Hunt.*] We were proposing to ask Mr. Scudamore one or two questions with regard to the public question of monopoly. I do not know whether it would be the most convenient course that those questions should be put to him now, or whether Mr. Scudamore had better be recalled subsequently.

Mr. *Webster.*] It would be convenient that they should be put now, I think.

Mr. *Denison.*] With a view of saving time and expense, it would be convenient if you were to dispose of the litigated portions of the Bill, and then resolve yourselves into a common committee.

Mr. *Webster.*] But something might arise out of Mr. Scudamore's answers material to Mr. Wilde's case. Mr. Wilde's case is this, that looking at the relation in which he would be to the Post Office under the monopoly as compared to the position in which he is now, he would be prejudiced. I think it would be convenient if any questions of that sort were asked now.

Mr. *Denison.*] My learned friend can put any of those questions. He is not precluded from asking those questions of public policy at all.

Mr. *Webster.*] If I had begun to ask questions of public policy, I know that my learned friend would have objected.

Mr. *Denison.*] You may begin now if you like, but it would save time and expense if the Committee disposed of the petition first, and then went on with the Bill by themselves. I leave it entirely to them.

Mr. *Hunt.*] Should you ask us to declare the preamble proved before we ask those questions?

Mr. *Denison.*] I would leave that entirely to the Committee. The question with respect to Mr. Wilde resolves itself into a question of clause. I was obliged to take it on preamble, but it is practically one of clauses. If we were in the House of Lords, we should have discussed it on clauses. I should have asked my learned friend to give his clause on behalf of Mr. Wilde, and the question would then have been disposed of. The Committee can, if they think fit, take that course.

Chairman.] We had better go through the litigated portion of the Bill first. We may leave it to Mr. Webster to raise any questions of public policy that affect his client.

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Mr. Richard Spelman Culley, called; Examined by Mr. *Denison.*

140. I believe you are Electrician to the Electric Telegraph Company?—I am the Engineer.

141. Have your company been directing their attention to the question of subterraneous telegraphy for a long time?—Yes.

142. Are they thoroughly acquainted with Mr. Wilde's patent, as disclosed by the specification?—No; as far as I know, it has never been before our company; I am not aware that it has.

143. Surely you know it, because you reported upon

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upon it; you know the nature of it, do not you?—Yes, I have seen it.

144. You made a report to the Post Office upon it?—Yes.

145. Are you at all surprised at his patent having been left now, ever since 1863, without being made any use of, even by the Globe Company?—Not in the least surprised.

146. I will take your opinion, subject to my learned friend's attempt to shake it; do you believe that any such system can be practically worked as against the aerial one?—I think not.

Cross-examined by Mr. *Webster.*

147. The subterranean systems that have been tried hitherto have been systems in which the wires were insulated in gutta percha, and such things?—Yes; the system which has been hitherto tried has been that of continuous insulation, as contrasted with insulation only at certain points.

148. The wires have been insulated wires, that is, wires insulated in gutta percha, or some other insulating substance, laid in the ground in ropes, or in tubes, or otherwise?—Yes.

149. You were examined before the Committee last year?—Yes.

150. At No. 934 you are asked this question: "I take it from what you have said, that it is your opinion that no system is likely to come into use within a comparatively short time that would dispense with the use of posts and wires? *A.* I do not think it is possible; in fact, I know it is impossible"?—Yes.

151. And you adhere to that opinion now?—Yes; but may I explain what that means, for I think there is a little confusion about it. That answer was given in reference to a proposition of Mr. Haworth's, who patented a system of working without any electrical conductor at all; working without any wires, whether aerial or subterranean. It is not a question of posts and wires, against wires buried in the ground, but a question between working with wires and without any wires at all.

152. Sir *Smith Child.*] Merely by earth current?—Not by earth current, or by any method known to electricians. He professes to have discovered a plan which amounted to this, I think; you had a galvanic battery placed in this room; you got the exact direction of New York; you placed this apparatus so as exactly to face New York; you had another apparatus at New York, placed so as exactly to fix this room, and the message would go from here to New York. It seemed to be almost equivalent to telling the message where to go; it was quite as absurd a plan as that. It was with reference to a plan of that sort, that I gave the answer the learned counsel has just read.

153. It was mere theory?—I can hardly tell what it was, without it was a scheme to get up a company.

154. Mr. *Denison.*] It went so far as a patent?—It was patented; I could not understand what it meant.

155. Mr. *Webster.*] I believe for small distances it succeeded?—Certainly not.

156. Not for small distances?—Certainly not, not for any distances.

157. Not across the Serpentine?—Not this plan of Mr. Haworth's.

158. I will not limit myself to Mr. Haworth's; but for small distances, have they not been able, by laying a certain amount of wire on the earth, to send messages across the water without any wire at all?—That is perfectly true; but a wire was used there.

159. Not across the Serpentine?—But a wire was used from one point on the shore of the Serpentine, to another point on the shore of the Serpentine.

160. Without going into this visionary matter of Mr. Haworth's, or any other person, according to your experience no subterranean system has answered hitherto as against the aerial?—I have not said so; and I do not think so; my answer there had no reference to the subterranean system *versus* the aerial system; but to a system with wires, as against a system without wires.

161. I ask you now, having reference to the subterranean systems that have been tried, are you of opinion that the aerial system will live against the subterranean still?—Not if a cheap system of subterranean wires can be found. It is merely a question of expense; there are a few other points; but a subterranean system would be excessively useful.

162. I may take it that a subterranean system would be excessively useful?—Yes.

163. Do you know of any subterraneous system like Mr. Wilde's, as shown in that model, having been tried?—I do not know that that has ever been tried. I am not aware of its having been tried.

164. Of course, a trial of that system would involve considerable expense; a trial on a large scale would involve considerable expense?—Am I to take that as the system you mean; that model there?

165. Yes?—Yes, it would.

166. And probably would not be likely to be resorted to, so long as the existing posts and wires of the aerial system were in a workable condition?—I am sure if there were any value in it, it would have been tried long since; we are constantly using subterranean wires in London. It is not more than two years since I put down two miles of 40 wires, and I should have been very glad to have used a cheaper system, if I had had it.

167. Those were insulated wires?—Those were insulated wires; we want a cheap system of subterranean wires.

168. A cheap system of subterranean wires is a great desideratum?—Yes.

169. Have you had any experience of the difficulty of getting across Manchester or other towns with posts on houses?—We never use posts on houses if we can use subterranean wires, except where we have only one wire, and there it would not pay to lay a subterranean wire.

170. There is an increasing difficulty, is there not, in dealing with towns; in getting across towns?—Over houses?

171. Yes?—Yes; and there will be more and more difficulty as the wires increase, of course.

172. The constant reparations, and so on, that are necessary, are very objectionable to the persons in the houses?—I have less experience almost than any engineer upon that; we have never used them; we have preferred the underground wires; we do not use the others; we have never liked them.

Re-examined by Mr. *Denison.*

173. Although you have a large experience of underground wires, do you think that this system

tem would be a cheaper system than that which you use?—I do not think it would work for our purpose for anything like a long distance; it might work for a quarter, or half a mile, or even more than that. I have not been acquainted with that system (*pointing to the model*) for more than two days; I saw it only two days ago, but the system of discontinuous insulation, that is to say, threading wires through insulators like those, has been familiar to me for I do not know how long; I have no recollection of the time when the idea was new to me.

[The Witness withdrew.

Mr. *Denison.*] If we were dealing with the preamble, I should say that that was the case for the Bill, but as we are proceeding rather on House of Lords principles, I say that is the case for the clauses of the Bill which relate to monopoly. If my learned friend has any clauses to propose against those, now is the time for his doing so.

Mr. .] May I be allowed to mention a circumstance which has taken place with reference to this Bill?

Mr. *Denison.*] Do you represent a petition?

Mr. .] No.

Mr. *Denison.*] Then I object to your addressing the Committee.

Mr. .] I submit that the Committee will hear me, under the peculiar circumstances in which I am placed. A communication was made to his Lordship, which communication was handed to the solicitor to the Post Office. We have had no time to take the necessary steps, from the hurried manner in which the Bill has been referred to this Committee.

Mr. *Denison.*] I must remind your Lordship that under the Order of Reference you are ordered merely to hear the petitioners who have presented petitions. If once you get out of that order, Mr. Coates has given us some interpretation of where we might get to; certainly, a very long way off the proper limits of this inquiry.

Chairman.] The order is, "Ordered that the petitions presented to this House respecting the Telegraph Bill be referred to the Select Committee on the Bill; and that such petitioners as shall have prayed to be heard by themselves, their counsel, agents, and witnesses, upon their petitions, be so heard if they think fit, and counsel heard in favour of the Bill against such petitions." You do not appear for any petitioner?

Mr. .] No, I do not appear for any petitioner. I may perhaps be allowed to appeal to the chairman of this Committee as Postmaster General.

Mr. *Denison.*] I must object to that. We are dealing with a Parliamentary Committee, and not the Postmaster General.

Mr. .] Because it almost amounts to a breach of faith on the part of the Post Office; if the Committee decline——

Chairman.] The Committee decline to do what they have not the power to do. It is impossible for us to go beyond the Order of Reference.

Mr. .] Very well, my Lord; I bow to your decision.

Mr. *Webster* was heard in support of the petition of Mr. Wilde against the Bill.

Mr. *R. S. Culley.*

22 July 1869.

Mr. Henry Wilde, Examined by Mr. *Webster.*

174. I believe you are the Petitioner in this case?—I am.

175. Have you spent many years on the subject of Electric Telegraphs?—I have.

176. And I believe you have taken out several patents?—Yes.

177. When did you first turn your attention to introducing your telegraphs into use?—About nine years ago.

178. What was the first step you took?—I took out several patents in connection with telegraphs, and I took some steps towards the formation of a company for working the patents.

179. Did you find considerable difficulty in introducing the inventions? — Very considerable.

180. Where did you commence business?—In Manchester.

181. Was there any other company then carrying on business, in either public or private messages in Manchester?—There was the Universal Private Telegraph Company.

182. What was the system they adopted?—That company worked Professor Wheatstone's patents.

183. Did they rent or sell the instruments?—The instruments, I believe, were generally rented.

184. What system did you adopt?—We executed contracts for a specific sum, generally.

Mr. *Denison.*] We must have this agreement produced at last; we have been trying to get it a long time.

Mr. *Webster.*] I am not asking about an agreement.

Mr. *Denison.*] However, sooner or later, we must have it; we have been going on upon the assumption that there is some agreement between Mr. Wilde and the Globe Company; if you do not produce it, I shall say your case is gone altogether.

Mr. *Webster.*] What agreement do you want?—

Mr. *Denison.*] I will ask the Committee whether the agreement should not be produced.

185-6. Mr. *Webster.*] I will ask the witness to produce it, if you like. (To the *Witness.*) Before you made the agreement with the Globe Company did you introduce any system for telegraphs in Manchester?—Yes.

187. What was that?—We began to erect telegraphs a little before the company was formed.

188. Did you adopt the system of rental, or the system of selling out and out?—The system of selling out and out.

189. Was that a different system to that which you then found to be in existence?— Somewhat.

190. How did you manage to get over the houses? — We had very great difficulties in getting over the houses; the owners objected very

Mr. *H. Wilde.*

Mr. *H. Wilde.* 22 July 1869.

very strongly to the men going on their premises; damage was done to the roofs, and in the suburbs of Manchester we found it almost impossible to take the wires over the houses.

191. How did you get the wires up at all?—We had to apply for an Act of Parliament.

192. Previously to applying for an Act of Parliament, did you come to an agreement with the Globe Company?—Yes.

193. Will you produce that agreement; I think a resolution was passed by the Globe Company?—Yes.

194. Had you any agreement with them in point of form?—Not in point of form; we have been working under the agreement.

Mr. *Denison.*] There must be some written evidence of this.

195. Mr. *Webster.*] Was it a resolution by the Globe Company?—A resolution by the Globe Company.

196. Mr. *Denison.*] Where is that resolution; have you got it here?—I believe my solicitor has it.

197. You have not the books of the Globe Company?—I think we have the book of the company.

Mr. *Denison.*] I will not stand upon it if you will give me a copy of the resolution. You say the book is here; you may as well let us have it.

Mr. *Wood.*] It is sent for.

198. Mr. *Webster.*] Is that the resolution under which you are working (*handing a paper to the Witness*)?—It is.

199. "Resolved,—That the directors be recommended to acquire exclusive licenses for a term of seven years, for the manufacture and sale of instruments constructed according to the several patents held by Mr. Wilde, and numbered and dated respectively as follows: No. 858, 8th April 1851; No. 1,994, August 10th 1861; No. 3,240, December 3rd 1862; No. 1,200, May 13th 1863, and also an exclusive license for the patent No. 516, February 25th 1863, so far as such patent can be applied for working alphabetical dial telegraphs for the purposes of the company; also a general license for the residue of the term during which such patents are in force, for the sum of Thirteen thousand pounds sterling; one half of the purchase-money to be paid in cash, and the other half in shares, acknowledged to be fully paid up; the company being at liberty to purchase, for the remainder of the term, the exclusive use of the above-mentioned patents upon such terms as may be mutually agreed upon by Mr. Wilde and a gentleman appointed by the directors, and, in case of disagreement, an umpire to be appointed, whose decision shall be final." That is the resolution under which you are working?—Yes.

200. You never had any other agreement?—Those are matters which I have left in the hands of my solicitor.

201. Mr. *Denison.*] You know whether there is an agreement or not, surely?—That resolution has been acted upon.

202. Surely there has been something else in writing?—Only by resolution.

202*. Another resolution?—There has been a resolution confirming that.

203. Mr. *Denison.*] We must have the whole of it; the title seems to be in a very hazy state.

203*. Mr. *Webster.*] As regards this payment in money, have you received any of that?—I have not.

204. Have you had any shares allotted to you?—Yes.

205. The Globe Company obtained an Act of Parliament, and you have been putting up instruments since?—Yes.

206. Have you found great difficulties in competing in Manchester with the telegraphs?—As I mentioned before, we have experienced considerable difficulty.

207. For instance, you have had to compete with the Universal Company?—Yes.

208. Do you think you would be able to carry on private business, the Government carrying both public and private messages?—There is no doubt that, with the Government competition, we should find it very difficult.

209. As regards this underground system, which you have sought to introduce, assuming the Government should have this monopoly, what field would you have for introducing the underground system which was the subject of your further patent?—It would rest entirely with the Government to adopt it. Of course I should have no other field if the Government acquired the monopoly.

210. Is there extreme difficulty in introducing an invention of that kind, which interferes materially with an established system?—Very considerable difficulty.

211. We have been told that six years is a sufficient period to have got it introduced; what is your experience of that?—My experience of inventions of that character is very different.

212. What is about the cost of the posts system?—The posts system will range from 30 *l.* to 40 *l.* per mile for a single wire.

213. How many wires can you put on a post under ordinary circumstances?—About six wires I should think.

214. What would be the extra cost of a wire and post telegraph?—About 8 *l.* or 10 *l.* per mile.

215. What may we take as the average cost of a post telegraph carrying six wires?—About 80 *l.* per mile.

216. What is about the average duration of the posts?—Perhaps 10 years.

217. In your system, I understand, you propose to insulate the wires in insulators in tubes?—In tubes; in pipes similar to those that convey gas and water.

218. What would be the cost of that per mile?—It would depend on the number of wires in the pipe; with about 60 wires, the cost would be about 26 *l.* per mile per wire.

219. What would be the relative cost of the two systems?—That would be much more expensive; I am not prepared to give you that at once.

220. As regards durability, how would it be?—As regards durability, when that system was laid the maintenance would be nominal.

221. Do you agree with the last witness that the subterranean system is a great desideratum?—I do; I think it indispensable, if telegraphic communication is to be extended in the suburbs, and in rural districts, outlying districts, and between the great centres as well.

222. From your experience in Manchester, do you know that the aerial system is subject to increasing difficulties?—Very great difficulties; in fact

fact I do not think there has been any increase in the number of wires over Manchester for three or four years.

223. In how many places have you introduced your instruments?—Perhaps 40 or 50.

224. Have you introduced them, at Oldham, at the works of Messrs. Platt Brothers?—I have.

225. At Strutt's, at Belper?—Yes.

226. In Sheffield and in Huddersfield?—Yes.

227. And in various other places besides Manchester?—I have.

228. For the next seven years we are told, as appears, in fact, from that resolution, the Globe Company will have the exclusive license?—Yes.

229. And they have the option of taking the exclusive license for the remainder of the time?—They have.

230. Have they as yet come to any agreement with you respecting this other patent?—Not yet.

231. The introduction of the Bill of last year rather suspended operations in telegraphy?—Not the introduction of the Bill of last year; that, of course, induced us to suspend operations in some respects, but we were not doing a large business, and it cannot be said to have affected materially the amount of business we did.

232. If this Bill should pass in its present form, what do you conceive will be its effect on yourself personally, as regards your reversionary interest in this patent?—If the Government do not make a satisfactory arrangement with the Globe Company, my reserved rights in the patent will be very considerably diminished.

233. Looking at the difficulty of an independent inventor in introducing these things, do you believe you would be able to make them available to any extent in the face of a monopoly in the Government?—Not unless the Government adopt them.

234. Government having, as in the case of the Private Telegraph Company, both public and private telegraphs in its hands, should you think that you would have any chance of introducing private telegraphs as against them, or in competition with them?—I think not.

Cross-examined by Mr. *Denison.*

235. I should like a little more information about this Globe Company; meanwhile has the book appeared yet?—(Mr. *Wood.*) It has been sent for.

236. Mr. *Denison.*] You mean that there is nothing between you and the Globe Company except this resolution and another?—That is as we stand at present; they have been acted on.

237. I say that there is nothing between you and the Globe Company except this resolution and another?—Not beyond that.

238. You say that you have received no money at present from the Globe Company?—None.

239. You had a lot of shares assigned to you which are reckoned as paid up?—Yes.

240. How many, or representing what amount?—About 6,500 *l.*

241. Has any dividend been received on them?—No.

242. Probably the shares are not quoted in the market at all?—They are not.

243. Who manages the Globe Company?—Myself and my partner, Mr. Low.

244. Yourself and Mr. Low managing the Company have not taken any steps to bring into use this patent of December 1863?—Not yet; not so far as relates to the subterranean system; there is one portion of that patent which we have introduced.

245. Which is that?—For an electric light for lighthouses.

246. That does not touch this question?—No; it is not in connection with telegraphy.

247. How long has that electric light portion of the patent been introduced?—Comparatively recently.

248. You had better give us the date?—Our experiments began with the Commissioners of Northern Lighthouses in 1866, and they are just about completing.

249. Under which patent is this machine?—That is 1863; the early patent of 1863.

250. How long has that been in use?—It has been in use since 1864.

251. That did not take long to get into use, then?—No, because it was available at once.

252. Are any of your other earlier patents in use?—There are three patents connected with this instrument.

253. All in use?—All in use.

254. And they all come into use soon?—Tolerably soon.

255. You have told my learned friend that there are 40 or 50 places at which you have put down these telegraphs; how many actual telegraphs have you put down for anybody?—About 40.

256. When you said 40 or 50 places, youdid not mean 40 or 50 towns?—No, 40 or 50 works.

257-8. And they are between different private persons' houses and their other establishments?—Not between the houses, between works generally.

259. Your wires are over-ground wires at present, I suppose?—Yes.

260. How are the Universal Private Company's wires carried?—They are carried over-ground.

261. They carry a great lot in one cable, do not they?—That system has been adopted to a very limited extent.

262. I happen to have been concerned in their arbitration, so that I know more about it than you think; that is their way of doing business, is not it?—Not generally.

263. Do you mean that the great bulk of their business is not done in that way, that is to say, 60 wires within one cable?—The great bulk of their business is not done by cables.

264. How is it done?—By open wires.

265. Over-ground?—Yes.

266. In the air?—In the air.

267. Have they found any difficulty in carrying that out?—I should think very considerable difficulty.

268. Have they been formidable competitors with you?—They have.

269. They have a much larger business than yours?—They have a much larger business than ours.

270. The figure given by arbitration as contained in this Bill, is 183,000 *l.*?—Yes.

271. You have no objection to tell us, indeed it must be registered somewhere; how much of your

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your capital, I mean the Globe, is paid up?—From 1,200 *l.* to 1,500 *l.*

272. How long has that been all paid up?—That has been paid up for several years, perhaps.

273. Most things have been paid up for several years, perhaps?—Four years.

274. I see first it was registered at 700 *l.*?—That was a mere form; so far we have not differed in that respect from other joint stock companies.

275. Your Act of Parliament of 1864 cost you something?—It did.

276. How much?—Nearly on 1,000 *l.*

277. And there is 1,500 *l.* paid up altogether?—Yes.

278. One thousand pounds of that has gone away for the Act?—Yes, about 1,000 *l.*

279. You say that the subterranean mode of telegraphy is a desideratum; if I did not misunderstand Mr. Culley, there is a very large amount of subterranean wires at present?—Yes.

280. What do you mean by saying that it is a desideratum?—Subterranean wires in London, of course, are very peculiar. The system of subterranean wires which I propose to lay down is not only for towns, but to connect between one town and another.

281. That is not an answer to my question. I ask you what you mean by saying that a subterranean mode of telegraphy is a desideratum, when we hear from another witness that it is commonly used?—I mean a good system.

282. You mean Mr. Culley's system is not a good one?—It is a good one as far as it goes, but it will not answer for long distances on account of the induction.

283. Is yours used for long distances?—It has not been used at all.

284. Has it not been tried for long distances?—Only experimentally.

285. For what length of distance has it been tried experimentally?—When I say experimentally, I have made experiments with wires under most unfavourable conditions.

286. What length of actual mileage has it been tried on?—It has not been tried on any.

287. Not even by your own company, the Globe?—No.

288. Between no two towns, for instance?—No.

289. You say if Government do not make a satisfactory arrangement with the Globe Company, your rights will be prejudiced; what do you mean by "making a satisfactory arrangement with the Globe Company"?—If the Government do not purchase my rights in my patents connected with the company.

290. Do you mean yourself or the Globe?—The Globe Company have a valuable property in my instruments; in my patents.

291. You know they have given the Government notice to purchase their concern, and the Government must purchase it?—Yes.

Re-examined by Mr. *Webster.*

292. As regards the Globe, they have the option; you cannot compel them to purchase your rights?—No, not my reserved rights.

293. If they chose to do that, then it may become matter of arbitration; but if they do not, then you will be without compensation?—Yes.

293*. Sir *Smith Child.*] How many shareholders are there in the Globe Company?—I think about 20.

294. Mr. *Weguelin.*] What is the total subscribed capital?—From 1,200 *l.* to 1,500 *l.*

295. At whose cost have you laid down these various private telegraphs?—My partner and myself have found the money for the company; I may explain, that we were obliged to work these telegraphs as a company, because we had no power to carry wires over towns as private individuals.

Mr. *Denison* was heard in opposition to the clause proposed by Mr. Webster, on behalf of Mr. Wilde.

The *Chairman* stated that the Committee were unanimously of opinion, that no case had been made out for the clause proposed by Mr. Webster.

Mr. Frank Ives Scudamore, called in; and further Examined.

Mr. *F. I. Scudamore.*

296. Mr. *Hunt.*] The Bill of last year, proposed no monopoly in the hands of the Postmaster General?—It did not.

297. You were examined last year on that subject?—Yes.

298. And you stated at Question 126, "So long as we do the work well, with such an organisation as we have, we can defy competition." Are you of that opinion still, or have you modified it?—I still think the Post Office can keep its own against competition, but I have seen reason to think, if we have not the monopoly, we might be subject from time to time to very considerable annoyance, annoyance which would not in the long run prevail over us, but which might for a time subject us to some slight loss.

299. At Question 2464, Mr. Goschen asked you, "With regard to the question of legal monopoly, have you given your attention to that?" You say "Yes; and my opinion still is, that the Post Office does not want a legal monopoly. They need not fear competition even in lucrative districts." Are you still of that opinion?—Since the passing of the Bill of last year, I have heard of one or two schemes that were set on foot to pass over most lucrative districts; I do not say those schemes would have succeeded, but probably they would have given us annoyance for some little time; I have heard, for instance, of a scheme to connect the Stock Exchanges of London, Liverpool, Manchester, and one or two other towns in the north by wires, for the transmission of Stock Exchange telegrams only. Supposing such a scheme to have been tried, it might certainly have drawn away for a time, a portion of our most lucrative business, but I still believe that in the long run, our superior mode of doing business, and the greater sense of security which the Stock Exchanges would have had in Government management, would have enabled us to beat the promoters of the other scheme; I believe, however, that the scheme would have been an annoyance.

300. You think occasions might have arisen in which

which you might have had to buy off companies who were getting up schemes for the purpose of competing with you?—At least we should have been continually subjected to applications to buy off companies.

301. That is as regards the Post Office themselves, and the protection of the public revenue; now, as regards the public, I wish to direct your attention to Question 2477, and a question or two following, in the evidence of last year:—"With regard to monopoly, the fact of there being no legal monopoly will tend to keep the Post Office up to its work, will it not? *A.* I think it will. *Q.* Supposing that there was a manifest improvement in the mode of transmitting telegraph messages, and the Post Office would not adopt such an improvement as would greatly increase the cost of sending messages, it would then be open to any private person or company to start such a thing, if the Post Office was dogged, and refused? *A.* Yes. *Q.* And so far, there being no legal monopoly, is the advantage to the public? *A.* Yes." Are you still of that opinion?—I think that the public would have a slight advantage if we had no legal monopoly, but I do not know that it would be a very material addition to the pressure they can put upon us, when we have a monopoly, through the press and through Parliament. I believe the Post Office to be so much under the pressure of public opinion that it must use any great improvement that is brought out from time to time.

302. Have you seen the notice that I have placed on the paper providing for monopoly for a limited period?—Yes.

303. My proposal is that the Bill should provide for a monopoly in the Post Office for a limited period, say seven years, so that the Post Office would have the opportunity of coming to Parliament and asking for an extension of that term during the term, by which means you would be protected during the term from being asked to buy off companies that might be got up, and at the same time there would be an inducement to you to give the public every accommodation in regard to telegraphic communication; have you considered that?—We should be undoubtedly protected through the term, but we ought not only to be protected through the term, but to be protected against any person claiming compensation when we came for a renewal of the monopoly at the end of that term; that ought to be secured, undoubtedly.

304. Supposing it were provided, first of all, that the monopoly should be for the period of seven years, and it was provided that, in the event of any Bill being introduced into Parliament during such term providing for the extension of the period of enjoyment of, or for the perpetuation of, such exclusive privileges, no person or company should have any *locus standi* to be heard against such extension or perpetuation; would not that be a complete protection to you?—It would be a complete protection to us against any speculator, but I still doubt whether the onus ought to be thrown on the Government of getting a renewal of its monopoly; I am inclined to think the onus ought to be thrown on the public, of taking away the monopoly from the Government, which they could do hereafter, even if Parliament were now to give a perpetual monopoly.

305. Sir *Smith Child.*] Parliament could not, in fact, give a perpetual monopoly?—It would be a monopoly during good behaviour, and any succeeding Parliament could take it away, or the present Parliament could take it away.

306. Mr. *Hunt.*] Supposing you had a monopoly for a term, renewable from time to time, at the option of Parliament, it would give the public that advantage which you said they would have supposing there was no legal monopoly, or nearly that advantage?—Yes, undoubtedly it would.

307. Practically you would have protection from speculators?—Yes.

308. So if the public, and Parliament as representing the public, were satisfied that the Post Office was doing its duty, there would be no question about renewing the monopoly?—The Post Office would have one little rod in addition held over its head, but it would be such a small rod in addition to the pressure of public opinion which it already has over its head, that it would not be very much.

309. Are you aware that there is a strong opinion in many quarters against giving Government a monopoly?—I have heard that opinion expressed.

310. Do you know the grounds of that opinion?—The general ground is, that a Government entrusted with a monopoly become lazy; but I do not allow that that holds good with reference to the Post Office; it does its work under the eye of the public; it does a work from day to day before the public which is extremely acceptable when well done, and which is perfectly intolerable when badly done; and the result is, that every shortcoming on the part of the Post Office is discovered at once and complained of; we are always working under pressure.

311. *Chairman.*] What is about the sum which will have to be paid by the Government for the purchase of the telegraphs?—About six millions and three quarters; rather less, probably.

312. That sum includes, does it not, something in the nature of goodwill?—Yes.

313. You cannot state exactly how much, probably?—I should think as nearly as possible two-thirds would be in the nature of goodwill; perhaps I am overstating that; it may be something rather less.

Mr. *Denison.*] As your counsel, I ought to tell you to be cautious how you say that; you cannot tell it, because it depends upon the arbitrators, and the agreements of last year.

Witness.] When I answered the question, I was thinking what proportion of the whole scheme was represented by plant which we had actually got.

314. *Chairman.*] At all events, a considerable proportion is in the nature of payment for goodwill?—Certainly.

315. Would it be possible to establish an entirely new system of telegraphic communication over the whole kingdom, for a less sum than that six millions and three quarters?—Certainly.

316. Very considerably less?—Certainly; we could establish the whole system for at least what it has cost the companies to establish it.

317. Between certain large towns, or within large towns, a system might be established at a very considerably smaller expense?—Yes.

318. If the Government did not get the

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monopoly, a company might be set up to establish such communication which would expend less money than we have done in the purchase of the existing telegraphs?—Undoubtedly.

319. And they would have nothing to pay for goodwill?—They would have nothing to pay for goodwill; they would have much greater difficulty than the existing companies have had in establishing a system of telegraphs, because they would be entirely excluded from the railways; you must remember that we have, by the Act of last Session, the exclusive way-leave over railways, so that no other company can come upon those lines which are the most favourable lines for telegraph companies.

320. They would have the roads to fall back on?—They must go on the common roads, and they can only do that by consent; there again they would probably have a greater difficulty in getting consent after the Government system was established than before.

321. Which would be the most remunerative part of the telegraph business?—Up to the present time I suppose the business between the Stock Exchanges of the large towns of the kingdom and the business between this company and foreign parts has been the most remunerative part of the whole; domestic messages have formed comparatively a small proportion of the whole number of messages, and they have not been so remunerative as the other.

322. Is the business between large towns or in large towns more remunerative than between large towns and country districts?—There is very little business in large towns; that business is very insignificant at present.

323. What is the extent of the business between large towns in proportion to the other business?—The business between large towns is the very cream of the business; there is no question about that.

324. You have told Mr. Hunt that it is possible in your opinion that a company might be established to carry on telegraph communication between two or three large towns, which might take from us, for a time, the cream of the business?—I have been told that a company was on the verge of establishment for that purpose.

325. When the Government are going to undertake this business all over the country, do you think there is any injustice in asking for a monopoly?—No, no injustice certainly, so long as we continue to do the work properly.

326. Do you think there is any hardship upon the inhabitants of large towns, who might fancy that under the system of companies competing with each other they might get their messages conveyed more cheaply than under the proposed system?—No; the inhabitants of large towns will get a very considerable advantage out of our system, even though they do not get it in the reduction of the rate for town messages. The inhabitants of large towns are not engaged solely in telegraphing to each other, they telegraph to all parts of the kingdom, and they will get in return for the uniform rate which we impose upon them in the towns themselves a very large reduction of rate on the messages they send to distant parts of the country, of which they send quite as large a proportion, if not a larger proportion, than they do of messages within the towns.

327. The Government proposes to extend the system very much more widely than it has ever yet been extended?—Yes; there is at present one telegraph office for about 13,000 of the population; under our system there will be at starting one for every 6,000 of the population, so that we shall give at least twice the accommodation, at the outset even, in the greater contiguity of offices to the people.

328. That you consider to be a great public advantage, which probably the country would never have obtained, or probably not for some years, under the system of open competition?—Undoubtedly the country would not have obtained such an advantage for many years to come.

329. When the Government are about to invest a large sum of money in securing this great public advantage, do you think it just that they should be protected against private individuals taking from them the most lucrative part of the business they look to to recoup their expenses?—Yes; I do think they should be protected.

330. Then, if it is assumed that the monopoly is just in principle, is it not more reasonable that it should be given permanently, subject to the revocation of Parliament, than that it should be given for a limited period?—I think it is; I do not think the Post Office ought to be obliged to go periodically and ask for its renewal; there would be practical difficulties in the Post Office going to Parliament, Session after Session, and asking for a renewal of the monopoly of carrying letters, though nobody disputes that they should have the monopoly of carrying letters.

331. Would not a limited monopoly look rather as if it were a concession or a loan granted by Government to which it was not in justice entitled?—Possibly it might have that appearance.

332. You think it would be an inconvenience if the Post Office had to come every seven years and ask for a renewal of this monopoly?—I think so.

333. Mr. *Weguelin.*] If the Government were to be exposed to competition at any time, now or hereafter, would it not have been very much more economical to the Government themselves, to have established their own telegraphs in competition with private companies, instead of buying up the telegraph companies?—Undoubtedly it would have been much more economical for the Government to have started in competition with the telegraph companies, supposing the House of Commons would have admitted such competition.

334. There is nothing in the present Acts affecting telegraph companies that would prevent the Government establishing their own telegraphs all over the kingdom?—I think, under the Telegraphs Act of 1863, the Government could not, without the consent of Parliament, have set up a telegraph system, because they must have come to Parliament for the funds.

335. Irrespective of that, the Post Office could establish a telegraph system of its own?—Irrespective of that, the Government, like any other person might, under the Telegraphs Act of 1863, have set up a telegraph system, but it must have got the funds.

336. The essential part of the agreement with the telegraph companies was the buying up of their goodwill, the understanding, therefore, being that the Post Office should have a monopoly of the telegraph system?—At least there was this understanding, that those whose property and goodwill

will we bought, never should go into business again, though not expressed, that clearly was understood.

337. That is as regards the companies whose undertakings you bought; but as regards other people, if the Government pay a large sum for the business, they must see that that business is not interfered with?—Yes.

338. And the effect of competition would be to destroy that business?—No; I do not think the effect of competition would be to destroy the business in the long run, but it would certainly annoy the Government, and perhaps lessen its profits for a time. I think we could hold our own against any competitors; that was my reason for not advocating the monopoly before; but I never doubted the right of the Government to ask for a monopoly, after the expenditure of so much money. I have seen reason to think, since the passing of the Bill last year, that we might be annoyed, though not beaten by competitors.

339. Do not you think, if a limited monopoly were given to the Post Office, there would be, as the time approached when that monopoly would cease, a great variety of schemes got up in order to compete with the Government when the monopoly should cease?—I think that might be prevented, if it were provided that no scheme should have a right to claim compensation when the Government came for a renewal of its monopoly. I think you might guard against such claims in the way Mr. Hunt proposes.

340. Mr. *Baines.*] Did I rightly understand you to say that there is at present one telegraphic office for every 13,000 of the population, and that you would increase the number to one for every 6,000 of the population?—Yes, as nearly as possible.

341. Sir *Smith Child.*] But there are very few towns with a population of 6,000 which have not got telegraphic communication at present, are there?—I mean not only towns but country districts.

342. Would you provide telegraphic communication for all country districts having a population of 6,000?—I did not quite mean that; my meaning was this: taking the population of the whole country together and dividing the number of telegraphic offices into it, that gives at present one telegraphic office for every 13,000 of the population; but taking the number of telegraph offices we shall have, and dividing it into the population, that gives one office for every 6,000 people. I do not say that any particular district would have a telegraph office or be without it.

343. There is a very material difference between those two things?—Yes, but that is the only way open to me, unless I had a large map, of showing you how much closer we shall get to the population.

344. You propose to give telegraphic communication to every money-order office?—Yes, to every money-order office.

345. Mr. *Laird.*] You say you propose to reduce the rate of charge?—Yes, we propose to have a uniform charge of 1 *s.* throughout the country.

346. Will it be the same in towns?—It will be the same in towns; but I fully expect that in the course of two or three years, we shall have a uniform charge of 6 *d.*; I have very little doubt that we could afford, if that were the only question, to commence with a 6 *d.* rate at first; but that rate would bring an enormous increase in the number of messages, and until we know accurately what number of messages we can carry, and what business we can do with the staff, we think we ought not to bring that increase of work upon us; that really is the only reason for not charging a lower rate than a shilling.

347. At starting, you will charge an increased price for town messages as compared to what they at present pay, will you not?—It is an apparent increase but not a real increase; because, though the town messages are conveyed by telegraph over only a small distance, the transmitting and receiving of them between the telegraph offices and the addresses, amounts practically to a considerable increase of the charge; the offices are so far from the senders and receivers of messages, that the charge for porterage places the whole charge above 1 *s.*; but in future our 1 *s.* will cover the whole charge in consequence of our offices being near to the senders and receivers of messages; I can show you that the 6 *d.* messages are not to be much thought of, when I tell you that now, out of six millions of messages carried annually, only 160,000 are carried over the whole kingdom at a 6 *d.* rate. We will say we impose an additional charge upon these 160,000 messages of 6 *d.* each; but there are still two-and-a-half millions of messages carried at rates of 1 *s.* 6 *d* and upwards, and on all those messages there will be a reduction. Now 160,000 is to two-and-a-half millions, about as 1 to 15, therefore, for every message on which we impose an additional charge of 6 *d.*; we are going to take off a charge of 7 *s.* 6 *d.*

348. Sir *Smith Child.*] But that does not console the senders of the 6 *d.* messages?—There comes in my other statement, that the sender, or rather the receiver, of the 6 *d.* message has to pay so much for porterage, that that brings the total charge to him above 1 *s.*; and from the greater proximity of our offices to the public, the result will follow, that in the greater majority of cases the 1 *s.* will include the porterage.

349. Does not the 6 *d.* charge generally include porterage at present?—Only within a short distance of a telegraph office.

350. Within a mile, I think?—Yes, I believe so, but the greater number of the receivers are beyond a mile.

351. Mr. *Weguelin.*] Are these 160,000 6 *d.* messages of which you have spoken, principally commercial messages, or social messages?—I can hardly tell you; I am not able to say.

352. You made an analysis, from which it appeared that the greater portion of the messages sent off are commercial messages?—Yes, but I have not made an analysis of the 6 *d.* messages specially; I think the probability is, that they are chiefly social messages.

353. *Chairman.*] Under the Act of last year, the rate is to be uniform, is it not?—Yes.

354. So that the Government will not have the same means of meeting competition which a powerful company would have?—Undoubtedly a competitor might come in in a large town with a 3 *d.* or a 6 *d.* rate, and we could not take the same means as a private company would have taken, namely, lowering the rate, because if the rate was lowered in one large town, we should have to lower it elsewhere.

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355. If you lowered the rate in London under the Act of last year you would have to lower it also between London and Ireland?—Yes, because the Act prescribes a uniform rate.

356. Mr. *Hunt.*] When the Bill was under discussion last year there was a great pressure put upon the then Government to reduce the rate in the Bill to 6 *d.*, was there not?—Yes, there were two questions raised; one was that we should have a uniform rate of 6 *d.* for all messages, and I have already given the answer to that, "We shall be glad to have a uniform rate of 6 *d.* when we know that we can do the work;" the other was that there should be a uniform rate of 1 *s.* for general transmission, with a 6 *d.* rate in towns. We contended that that would be giving an undue advantage to towns over the country, because if there were a 6 *d.* local rate, every townsman would be able to send his message, say, from Manchester to John of Groat's house for 1 *s.*, and a message from Manchester to Preston Wick for 6 *d.*; whereas a man in the country would only have the 1 *s.* rate, and no local rate for himself; therefore we thought it only fair and logical to have a uniform rate throughout the country. I am told that the distance of free delivery in the case of the 6 *d.* messages is only half a mile.

357. But supposing the Post Office, against public opinion, was keeping up the rate for messages, their having to come to Parliament for a renewal of this monopoly would give the public the advantage of an opportunity of insisting upon the rate being lowered, would it not?—I think, even without that, the public always has an an opportunity of enforcing its wishes.

358. Still the public would be able to put that pressure upon the Post Office at the time they came for a renewal of their monopoly?—Yes; but under the Bill as it now stands, there will be an annual period for putting on that pressure.

359. How so?—The Bill, as it now stands, provides that an account shall be laid before Parliament every year, of the revenue received, the expenses incurred, and the surplus of revenue over expenditure; and that we shall also show what portion of that surplus is required to pay the interest on the capital; and that then if there be any residue, it shall be applied to cancel debt: no doubt, when that annual account comes before Parliament, if it shows a very considerable surplus, the public would have an opportunity of endeavouring to obtain a reduction of the rate.

360. Still, their leverage would be much less than if they had the power of resisting a Bill for the renewal of the monopoly, would it not?—I do not know: in the Post Office we are in the habit of looking upon the leverage of the public as something which we cannot overcome under any circumstances.

361. *Chairman.*] The expenses under the Act will have to be voted annually, will they not?—Yes, annually.

362. Mr. *Weguelin.*] You think that it would not be desirable to have the Post Office monopoly made terminable at a certain date?—No, I think it would be very inconvenient, and would give rise to a great many troublesome questions from time to time.

363. Mr. *Hunt.*] Do you not think that you would cater more for the public if it were so?—No, I think we do all we possibly can for the public.

364. The public do not always believe it?—I cannot admit that we could do more.

365. Why should not these words come out of the Preamble: "Whereas in order to ensure the charge for the transmission of telegraphic messages being as small as possible," it is expedient that exclusive privileges with respect to conveying telegraphic messages, should be conferred upon the Postmaster General; some people might think that that would not ensure it?—It is in order to ensure the uniform charge being as small as possible.

366. Mr. *Baines.*] You could not charge such low terms to the public without a monopoly, as you could with a monopoly?—No.

367. That is the reason therefore why it is expedient that these privileges should be conferred upon the Postmaster General?—Yes.

The Preamble of the Bill, as amended, was read, and agreed to.

The clauses of the Bill were proceeded with.

Mr. *Coates* proposed the following clause: "The Postmaster General shall, upon the request in writing of any company or persons constituted for the transmission of telegrams from, or to, places beyond the United Kingdom, make all necessary arrangements for the transmission of such telegrams within the United Kingdom, and for the connection with that view of the cables or other apparatus of such companies or persons with the apparatus of the Postmaster General; and if any question arises as to the reasonableness of such request, or as to the nature or sufficiency of such arrangements, or as to the payments to be made by the company or person requiring the same in respect of the acts done, or services performed by the Postmaster General with respect to the matters aforesaid, every such question shall, from time to time, be settled by arbitration in the manner prescribed by the Companies Clauses Consolidation Act, 1845, with respect to the settlement of disputes by arbitration; provided that the Postmaster General may contract with any such company or person with respect to any of the matters aforesaid, and with respect to the construction or use of wires, and other telegraphic apparatus in connection with those of the Postmaster General for the purpose of the transmission of such telegrams: Provided also, that if the Postmaster General shall enter into any such contract as aforesaid, he shall, upon the request in writing of any other company in similar circumstances concerned in the transmission of telegrams from, to, or through the same places or countries, enter into a contract with such other company of the like effect, and in all respects as beneficial, so far as the nature of the case will admit; and any question arising between the Postmaster General and such company or persons, with respect to this proviso, shall, from time to time, be settled by arbitration in the manner aforesaid."

Mr. *Denison* was heard against the insertion of the latter proviso of the clause.

After some discussion,

Mr. *Coates* stated that he would not press the latter proviso.

The

The clause, as amended, was passed.

The clauses of the Bill were proceeded with.

On clause 4,

Mr. *Burt* proposed the insertion in a proviso moved by Mr. Hunt, after the word "company," of the words "not now existing."

Mr. *Simpson* was heard against the proposal.

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The Committee declined to insert the words proposed by Mr. Burt.

The clauses of the Bill were proceeded with, and severally passed, amendments being made therein.

The *Chairman* was directed to report the Bill, as amended, to the House.

REPORT

FROM THE

SELECT COMMITTEE

ON THE

TELEGRAPH BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed*,
22 *July* 1869.

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Under 3 *oz.*